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East Asia

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ASEAN-Burma Links May Strain Western Ties

BK2807030792 Bangkok THE NATION in English 28 Jul 92 p A5

[By Kawi Chongkitthawon in Manila]

[Text] Burma's future integration with ASEAN, without any major improvement on democracy and human rights, could strain ASEAN's ties with the West, especially the United States, Western and ASEAN officials said.

It can also split ASEAN countries which have been trying to hold on to their common position while retaining their individual approaches towards the repressive regime, they said.

At the meeting here, Malaysia made it loud and clear that it opposes Burma signing ASEAN's Treaty of Amity and Cooperation unless there is an improvement on its human rights record.

Thailand and other more moderate ASEAN nations such as Singapore and Indonesia support Burma's gradual integration with ASEAN. They hope that like Vietnam and Laos, Burma would receive observer status at the regional body.

"Malaysia will oppose Myanmar's [Burma] intention to be present at the ASEAN foreign ministerial meeting until its human right record improves," Malaysian Foreign Minister Abdullah Badawi told The Nation on Sunday.

It is understood that Malaysia has ranked Burma's human right record as one of the worst in the world. As a Muslim country, Kuala Lumpur had severely criticized Rangoon's treatment of the Burmese-Muslim refugees in Bangladesh, known as the Rohingya.

Abdullah vetoed ASEAN's attempt to invite Burma as an ASEAN guest at the Manila meeting.

An EC official said it is obvious that divergent views currently exist among ASEAN countries even though they agreed to continue with their efforts to draw Burma out from further isolation.

Some ASEAN delegates, especially the Thais, are delighted at the apparent crack among the Western countries over ways to pressure Burma. While the US and Canada advocate strong measures including sanction and arms embargo, they say Australia has softened its approach this year.

Australian Trade and Foreign Minister Gareth Evans said ASEAN should continue its behind the scenes negotiation with Burma to bring about more positive changes in human rights and democracy.

"Australia thinks that the ASEAN way could yield results," said a Thai senior foreign ministry official.

At the press conference at the end of the ASEAN-dialogue partners meeting yesterday, US State Secretary James Baker congratulated ASEAN for not allowing Burma to attend the meeting as its guest.

But he also warned ASEAN that Washington will feel let down if Burma is accepted as a signatory to the treaty of Amity and Cooperation, allowing it to attend future meetings.

The West, spearheaded by Washington, still considers that tough measures on the part of the international community, ASEAN included, are the only means to bring about the complete release of political prisoners including the Nobel prize winner Aung San Suu Kyi, and recognition of the opposition parties who won the 1990 election.

At the closed-door session yesterday between the US and ASEAN, Baker hit out at ASEAN for not putting enough pressure on Burma. As long as there is no democracy or better treatment of the Burmese- Muslim refugees, Burma will remain "the centre of instability" in Southeast Asia, Baker warned.

In response to US criticism, ASEAN,led by Thailand, said it was necessary to keep Burma engaged in the international fora in order to bring about positive changes in the country.

Over the past months, Thai Prime Minister Asa Sarasin said Burma had made positive moves through changes to the leadership, freeing some prisoners and holding a dialogue with opposition party members.

Burma should be encouraged further to come out of the isolation," he said, adding Burma would like to return to the Non-Alignment movement once again. "It is a good sign," Asa said.

Asean foreign ministers are planing to meet Burma's representative to the UN General Assembly opens in September. "It would be the first time for ASEAN to meet Burma since Manglapus," said a Malaysian official.

Philippine Foreign Minister Raul Manglapus visited Rangoon in his private capacity, early this year because the Burmese leaders rejected his visit as an ASEAN envoy.

Now that the West believes the "hard-line" approach would yield results while ASEAN countries think their "soft-line" works better, all will eventually would rest on Burma.

Having said that, the week-long meeting in Manila sends a strong message to the Burmese junta leaders that they will have at least one more year to set their house in order, to win recognition from the world.

For the time being, Western and ASEAN officials are contended that the combination of "hard and softline" approaches have produced positive results in Burma. "Both sides can claim credit for the changes," said a Filipino diplomat, adding that the West feels confident of its tough measures and ASEAN does not feel uneasy with in its "constructive engagement" policy.

However, an ASEAN diplomat warned that when the regional body meets again in Singapore next year with Burma still remaining unchanged or not proving itself worthy of further ASEAN support, Rangoon could be left behind, to sink into oblivion.

Badawi Says Sanctions Against KR Not Helpful

BK2507052492 Kuala Lumpur BERNAMA in English 0355 GMT 25 Jul 92

[By Mohamed Ghazemy Mahmud and Zainoor Sulaiman]

[Text] Manila, July 25 (OANA-BERNAMA)—Sanctions against the Khmer Rouge [KR] to force the faction to continue with the peace process there will not help the current impasse in Cambodia, Malaysian Foreign Minister Abdullah Ahmad Badawi said Friday night.

He said it was ASEAN's view that any strong measures against the Khmer Rouge, which has refused to disarm its forces under phase II of the UN-sponsored peace process, would hamper the effective implementation of the Paris peace agreements.

Abdullah was reacting to statements by mostly Western ASEAN dialogue partners during the Post Ministerial Conference (PMC) here Friday which centred on the Cambodian issue.

They had called for stern measures against the Khmer Rouge including sanctions against Khmer Rouge-controlled areas and to isolate the faction from the peace process.

Abdullah said Khmer Rouge was a party to the peace agreements and without its participation the peace process would not be complete.

The international community must take into account ASEAN's view and approach to overcome the problem, he added.

Quoting Indonesian Foreign Minister Ali Alatas, who is the co-chairman of the Cambodian peace conference, he said there were some defects in implementation of the peace process.

Some of the complaints made by the Khmer Rouge had some reasonable foundation and ASEAN wants UNTAC [United Nations Transitional Authority in Cambodia] to hold close consultation with the co-chairman in their efforts.

Abdullah also welcomed the Japanese proposal for a joint project with ASEAN to undertake the rehabilitation and reconstruction of Cambodia.

Japanese Parliamentary Vice Minister for Foreign Affairs Koji Kakizawa, in announcing the proposal earlier today, said the "tripartite cooperation" which combines Japanese financial and technological capacity with ASEAN's experience and knowledge would take full account of Cambodian needs.

Abdullah said the Japanese proposal would be studied in detail by ASEAN officials.

Hails Declaration on South China Sea

BK2507142292 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 25 Jul 92

[Text] The positive response to the ASEAN declaration on the South China Sea, especially by the United States, Japan, Australia, and Vietnam will pave the way for its recognition by other nations.

Foreign Minister Datuk Abdullah Badawi said this is good for the future of the South China Sea. The declaration [word indistinct] the fundamental purpose of proposing an international code of conduct for the South China Sea, was signed by the six ASEAN countries at the end of the 25th ASEAN ministerial meeting earlier in the week.

Datuk Abdullah Ahmad Badawi says it is the common view of all delegations that the South China Sea remains an area of peace and stability.

He said this to reporters in Manila after the day session of talks between ASEAN Foreign Ministers and officials of the grouping's seven dialogue partners.

Cites ASEAN Ties With CIS

BK2707144392 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 27 Jul 92

[Text] Foreign Minister Datuk Abdullah Ahmad Badawi says Malaysia is to initiate dialogues aimed at establishing some kind of formal link between ASEAN and the Commonwealth of Independent States, CIS, the former Soviet republics. He said he would instruct senior officials to look into the possibility and later would bring the matter up formally at the ASEAN forum.

Speaking to BERNAMA shortly before returning home after attending the fifth ASEAN ministerial meeting and the post-ministerial conference in Manila, Datuk Abdullah confirmed that there had been suggestions by dialogue partners, particularly the United States, for ASEAN to establish such a link with the CIS. It is understood that U.S. Secretary of State James Baker during a closed-door session commended Malaysia for its initiative to undertake (?fruitful) cooperation with countries of the CIS and hoped that it could be developed into an ASEAN-CIS cooperation. Datuk Abdullah also confirmed that Mr. Baker had said that Washington would also like to see closer cooperation between the former Islamic Soviet republics with moderate Muslim countries like Malaysia. He said Malaysia had already taken such initiatives and there had been exchange of visits among officials aimed at fostering closer economic cooperation between Malaysia and the newly-independent Islamic republics.

Datuk Abdullah said Malaysia was satisfied with the outcome of the ASEAN ministerial meeting and the post-ministerial conference, although it was disappointed with Portugal for blocking the conclusion of a new ASEAN-EC agreement over the East Timor issue. Malaysia and other ASEAN countries felt that the issue was not bilateral in nature and should not have been brought up at the ASEAN-EC forum. However, like ASEAN, the EC also works on consensus and as such, all decisions have to be endorsed by all members.

Datuk Abdullah confirmed that there might be some initiatives to talk to Myanmar [Burma] and said Malaysia would not agree to Myanmar attending the ASEAN formal meeting unless it took steps toward democratic reforms and the protection of human rights.

ASEAN, West Differ on Human Rights Issue

BK2807031792 Bangkok THE NATION in English 28 Jul 92 p A8

[By Cristina Pastor in Manila]

[Text] ASEAN countries and their western allies championing human rights and the environment on Sunday clashed over the issue of linking economic ties with the maintenance of good government.

ASEAN foreign ministers wrapped up their annual conference and talks with their dialogue partners on Sunday.

Portugal refused to abide by a proposed EC-ASEAN cooperation agreement unless there is "fundamental change" in Indonesia's policy over East Timor.

The EC, which decides by consensus, cannot sign an agreement to upgrade trade between the two regional blocs unless there is unanimity among all 12 EC member-states.

"We have nothing against ASEAN but we have a very strong position against Indonesia because of East Timor," Portuguese Deputy Foreign Minister Jose Barroso told reporters.

Jakarta, and not Portugal, should be blamed for the stalled talks, he said.

Indonesia Foreign Minister Ali Alatas said his government and "fellow ASEAN members regretted very much" that Portugal is using its veto power to "postpone" the accord. He believes Lisbon is exploiting a simple "bilateral matter" to prevent the two organizations from working closely with each other once the pact is signed in October.

Indonesia annexed the predominantly Catholic territory of East Timor in the mid-1970s. Portugal maintains it is one of its overseas provinces.

"Portugal is still the administrative power in East Timor," Barroso said, citing international law.

The EC, in support of Portugal, reiterated that relations between ASEAN and the community are based on quality and "not on any kind of superiority."

ASEAN is disappointed that the cooperation agreement may not be concluded by the end of the year, Philippine Foreign Secretary Raul Manglapus said.

Voicing ASEAN's sentiment, he hoped the agreement would reflect a "mature relationship" between the two alliances, and that human rights should not be made a "conditionality for cooperation."

Japan, ASEAN's biggest donor and trading partner, said it has also adopted human rights as a "principle" before official development assistance loan can be extended to developing countries.

"The Japanese Cabinet adopted guidelines in conducting aid policy. Human rights is one of the principles taken into consideration," spokesman Seiji Morimoto said.

But while the EC continued its denunciation of Burma for holding political prisoners, Japan adopted a softer position not different from ASEAN's policy of constructive engagement.

"We value the actions taken by the Myanmar [Burma] government in releasing political prisoners, allowing Aung San Suu Kyi to see her family, but there's still room for further improvement. The situation is improving," Morimoto told reporters.

Minister Barroso said development and democracy are linked. Economic growth, he stressed, is a matter of good government.

EC's Matutes Addresses ASEAN on Free Trade

BK2507012592 Bangkok THE NATION in English 25 Jul 92 p A3

[Text] Manila—Asean's agreement on free trade will intensify two-way trade and investment between the region and the 12-member European Community (EC), a senior EC official said yesterday.

Addressing the Asean post-ministerial meeting, EC commissioner Juan Abel Matutes said: "The coming years will without doubt see greater flow of two-way trade and investment between the EC and Asean.

The EC is one of the seven dialogue partners of Asean in its annual ministerial meeting. The six others are the US, New Zealand, Japan, Australia, and South Korea.

Matutes said Asean has continued to outperform every other developing country group in the world in terms of economic growth.

He welcomed the Asean Free Trade Area [AFTA] Agreement, saying the EC has always backed moves towards open regional economic cooperation or integration. This is "wholly consistent with Gatt," he added.

"To a European businessman, the prospect of trading with or manufacturing in a large Southeast Asian market, rather than with a number of national unconnected markets, has obvious advantages," he said.

Matutes said given the growth of EC's economic ties with the Asia-Pacific economies, "we in Europe naturally follow with great interest the various moves and initiatives in the region."

"We support those regional groups which are open, non-discriminatory and contribute to the multilateral trade system," he added.

In his speech, he also saw the opening of new international trade and investment opportunities with the end of the Cold War.

Barbara McDougall, Canada's Secretary of State for External Affairs, said that Asean's commitment to the free trade area would open regionalism and confirms Asean's vigour as an economic force in Asia and beyond.

She said Afta is a positive development in the context of both the world wide effort to reduce protectionism, which she added also parallels Canada's participation in the Canada-US Free Trade Agreement and the North American Free Trade Agreement.

"These open, regional arrangements, when they are consistent with Gatt, can well lead our collective efforts towards ongoing global trade liberalization."

Philippines Foreign Minister Rual Manglapus called for a "lasting partnership" between Asean and its dialogue partners.

"Asean takes it seriously that we are sitting here not just with dialogue counterparts but with dialogue partners," he said in opening the three-day Asean post-ministerial meeting.

"Our agenda reflects not only in microcosm, but in life-size proportions the issues of the globe," Manglapus said.

He said the meeting symbolizes cooperation of North and South, of West and East, adding that "it is a lasting partnership we are building."

"We join our partners in the continuing search for a concerted response to the challenges of this moment and of the future," Manglapus said.

Discussion will cover security, the Indochinese refugees, narcotics, the Uruguay Round, free trade and interregional economic cooperation.

Japanese Delegate, Wong Kan Sen Meet in Manila

OW2507092992 Tokyo KYODO in English
0850 GMT 25 Jul 92

[Text] Manila, July 25 KYODO—Singapore Foreign Minister Wong Kan Sen indicated Saturday the Association of Southeast Asian Nations (ASEAN) will not admit Vietnam and Laos as members for at least a year or two.

Wong told Japanese parliamentary Vice Foreign Minister Koji Kakizawa that the ASEAN observer status given to the two Indochinese countries this week after they signed a key ASEAN treaty is a first step toward eventual membership in the group of six noncommunist nations, Japanese officials said. But they quoted Wong as saying it is "too early" for ASEAN to admit them "for the time being," meaning one or two years, they said. Vietnam and Laos signed the 1976 Treaty of Amity and Cooperation in Southeast Asia during a meeting of ASEAN foreign ministers Wednesday.

Wong and Kakizawa agreed to enhance discussions between Singapore and Japan on political and security issues, starting with working-level talks, the officials said. Wong said ASEAN failed to reach a consensus on inviting Myanmar [Burma] to the ASEAN foreign ministers' meeting because of human rights problems and the flight of ethnic people, which are linked to the country's military regime. There is no contradiction between ASEAN's "constructive commitment" to dealing with Myanmar and its failure to invite it to the annual meeting, he was quoted as saying. The United States led some Western nations in lashing out at Myanmar's suppression of human rights at the opening session Friday of annual talks among ASEAN and its seven major trading partners.

Wong and Kakizawa were in Manila to attend the talks among the ASEAN members—Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand—and the partners—Japan, South Korea, the United States, Canada, Australia, New Zealand, and the European Community.

Australia's Evans Discusses Security Concerns

HK2407152392 Quezon City Radyo ng Bayan
in Tagalog 0414 GMT 24 Jul 92

[Speech by Australian Minister of Foreign Affairs and Trade Gareth Evans after the ASEAN ministerial conference in the Plenary Hall of the Philippine International Convention Center, Manila—live; in English]

[Excerpts] Mr. Chairman, Your Royal Highness, and other ministerial colleagues, Your Excellency, Ladies and Gentlemen.

The meeting here in Manila was held at a time of enormous continuing global historical change, which change, while for the most countries is positive in its impact, has worked to create a more fluid, and in many ways, less pleasant international climate and has been the case for a long time.

Some of the most prominent developments have been here in the Philippines where we've seen a complete consolidation of the democratic process culminating recently in the first absolutely normal transfer of presidential power for 27 years.

We're indeed grateful to President Ramos, the government for their warm welcome and general hospitality given their preoccupation with establishing a new administration.

I would like to express my own and my delegation's very sincere gratitude to his excellency Raul Manglapus, our chairman this week, for his very constructive contribution and also to [word indistinct] regional affairs over many years and in particular for his positive contribution toward our discussions in the forum, not to mention during our extracurricular activities. I wish him very well in his return to private life. [passage omitted]

The 25th ASEAN ministerial meeting which our ASEAN colleagues have just concluded had itself met some important changes not least in the admission of Laos and Vietnam as observers, the attendance of their foreign ministers in the organization, and of course accession next week of those two countries to the Treaty of Amity and Cooperation in Southeast Asia. These are important milestones in the move, which we all applaud, to integrate those countries into the (word indistinct) of Southeast Asian region.

Since the pace of international change started to really accelerate from the last three years, the extraordinary has so much become a common sight that we sometimes need to stop and pinch ourselves to fully appreciate the scale of the transformation.

Since we last met some three years ago, we witness nothing left now but the total collapse of the five-polar global structure that characterized international affairs since 1945.

Communism has disappeared as a ruling force in all but four countries, although three of them are still here in Asia, and nearly 20 new states have emerged on the Eurasian land mass.

But the so-called new world order of the post Cold War world is far more complex, diverse, and unpredictable than the East-West polarity it replaced. And save the world history that has seen a superpower vanish in a matter of weeks, nothing can be regarded as invulnerable through the forces at work, both external and internal, in the current international environment.

While the Asia-Pacific area has adjusted to the end of the cold war much more effectively than many other parts of the world, and developments here generally have been positive, problems and possible sources of tensions nevertheless remain.

For example the economic success of a number of Asia-Pacific countries is bringing with it a greater general sense of confidence and status which in time may require some adjustments in regional attitudes and arrangements which, indeed, [words indistinct] be managed. At the same time, the increased wealth and technological sophistication of some regional nations is leading to increasing weapons procurement. While there is nothing which can yet be called an arms race in the region, the situation will bear watching in the medium term.

The role of Japan and China as major regional powers will necessarily come into sharper focus, as Russia and the United States become less all-pervasive presences in the region than they were during the Cold War years. Although, I should say that we both accept and very much welcome, U.S. assurances, including very specific data made again here by (Zelsnek) today, that it intends to remain very much engaged in the plight of the Pacific.

While the growing regional acceptance of Japan playing a political role commensurate with its economic path, there remains, we'll note, considerable resistance to its assuming an enhanced security role even in a very narrowly defined context of UN- sponsored peacekeeping operations.

But it is important that Japan continues to pay close attention to these sensitivities as we believe it has in the passage of PKO [Peacekeeping Overseas] legislation. Lest there be any possible misunderstanding about Australia's own position on that PKO legislation, let me say again, for the record, as I already have in the Australian Parliament and elsewhere, that we very firmly support Japan's playing this role.

The development of China's response to the new international environment has been complicated by the approaching leadership transition. While that country has been playing a very cooperative role within the security council, officially on Cambodia, we have seen signs that it could adapt to increasingly hardline positions on a number of international issues, not least on current longstanding territorial claims.

May I say, however, in this respect, that Australia did appreciate the comments about China's attitude to regional security made by Foreign Minister Qian Qichen at the AMM [ASEAN Ministerial Meeting] opening session; his assurance that China would not leap to fill up the vacuum in the region, as he put it, and his proposal for a multilevel and multichannel security dialogue mechanism at bilateral and regional level, were very welcome.

The residual territorial disputes still continue to trouble half the region most obviously in the South China Sea where tensions with those competing in claims to the Spratly Islands have heightened recently and are a major concern. A very useful series of workshops sponsored by Indonesia have, however, given cause for continuing hopes for peaceful cooperation in the South China Sea including, perhaps, the resource-sharing arrangements, the kind that's been entered into recently between Australia and Indonesia in the Timor Sea, will be achievable. In this respect we also have welcomed ASEAN's desire to resolve this problem which was clearly and effectively signalled in the declaration on the South China Sea signed earlier this week. This certainly welcomes the cooperative approach urged in that declaration. [passage omitted]

A particular challenge will also show that next year will be the effect on the outcome of the Uruguay Round and its implications for regional economy. And I take this opportunity to once again express Australia's heartfelt plea to the majors to please get your act together and help deliver us a decent outcome. Given the nature of the [word indistinct] it's inevitable that any agreement which shall eventually emerge which is universally acceptable will still leave plenty of opportunities for regions and subregions to improve on the outcome in a [word indistinct] friendly way.

We believe that it will be important to address these opportunities vigorously in APEC and we're pleased to see the array of practical and more visionary measures which should be in common [word indistinct].

Prime Minister Paul Keating in his February 1 National Statement clearly recognized the imperative of intensified Australian contacts with Asia. He underscored the fact that the pace of structural change in Asia means that we can't afford to stand still. His suggestion is that regional heads of governments meet periodically in an APEC context to discuss economic and trade issues, Australia's strong support for the ASEAN and APEC as a regional grouping and our efforts to work for [words indistinct] outcome to the Uruguay Round especially in the agricultural sector, so important to all of us here. I will [words indictinct] together with the greater depth and breadth we're trying to build into our bilateral relationships, evidence of my country today to contribute to the region's economic growth and development.

We in Australia also believe we've got something to contribute to the emerging dialogue on regional security and strategic issues, both on various specific issues like chemical weapons, where we have been encouraged by the extremely positive response to a [word indistinct] regional initiative and on regional security issues generally. We may also see that our experience in developing the South Pacific Nuclear-Free Zone will be a helpful contribution to the continuing discussions on the Southeast Asian Nuclear Weapons-free Zone, which we continue to believe would a very helpful addition to the world's defenses against nuclear nonproliferation. We for some time have been encouraging the perception of this ASEAN PMC [Post Ministerial Conference] as the major regional forum for security dialogue. We warmly welcome that there were indicators of the decision of the ASEAN leaders to formally place security on the ASEAN summits and PMC agendas.

I've read with great interest the many references to regional security in the opening speeches to the AMM 21 July. The need to be forward-looking on this issue was particularly well-captured by Singapore's Foreign Minister Wong Kan Seng, when he said that security arrangements needed to be reviewed and reassessed to serve optimal conditions of stability and growth. He said, and we strongly agree, that we can build on the more [word indistinct] structures of regional relationships in Southeast Asia, as well as the discussion of security matters at the PMC to elaborate new security arrangements for the Asia Pacific.

We've also welcomed and participated in a series of seminars sponsored by think thanks and involving both officials and experts which have already been held in Manila, Bangkok, and Bali. We've been encouraged by the recent holding by ASEAN of its third senior officials meeting devoted entirely to regional security issues.

We welcome the support which has recently been given by the Japanese Prime Minister Miyazawa to ongoing regional dialogues both at general and subregional levels. And we specifically welcome the proposal which has been made by Malaysian Defense Minister Najib to convene a meeting with senior government officials to discuss all these issues in Kuala Lumpur next June. [passage omitted]

I accept that while it is important to debate larger conceptual themes and issues from time to time, real progress in regional security is only likely to be achieved in practice by gradual, incremental measures in which the confidence of each relevant country is won and consolidated step by step along the way. The task is not so much to define threats and to mobilize resources against those potential threats, either unilaterally or cooperatively, but rather the task is to build the kind of relationships of mutual respect, cooperation and interdependence in in a wider region which will ensure that such threats will never materialize.

Overall, Australia sees developments in the region as being positive and, as I said, highlighted in particular by the trend towards strong economies and stronger economic cooperation, greater democracy and transparency within government, and the generally benign external security environment. My country has [words indistinct] at stake in the continued prosperity and security in the region and thus incorporates it in the dialogue that underpins it. The challenge for all of us in future will be to consolidate the policical, economic, and social gains made so far and remove the remaining restraints on the political and economic progress of the region. ASEAN's strength and cohesion will be a vital sector in this effort and I therefore look forward very much indeed to participating in discussion both here and during the coming years of change and challenge in our region.

Japan

Issues at SII Meeting With U.S. Detailed

OW2807111692 Tokyo KYODO in English
1103 GMT 28 Jul 92

[Text] Tokyo, July 28 KYODO—Japan and the United States face hard going at a two-day meeting which started Tuesday to review progress in implementing the so-called Structural Impediments Initiative (SII) agreements made in 1990, government officials said.

Participants in the meeting are trying to draw up a second annual report summing up progress made to date in reducing trade barriers as agreed at the bilateral SII talks, but are at odds over specific wording, the officials said.

The U.S. has urged Japan to specify its target to lower home prices to less than five times the average annual salary, they said.

The target is part of Japan's new five-year economic program aimed at improving the quality of life.

Japan, however, is opposed to the inclusion of the target for fear of making a commitment to the U.S. and courting the disapproval of the finance and construction ministries, they said.

The U.S. also asked Japan to steadily carry out its public works projects, totaling 430 trillion yen over 10 years, by fiscal 2000, they said.

For this fiscal year, the U.S. negotiators urged Japan to make greater efforts to expand domestic demand through a supplementary budget, they said.

For its part, Japan expressed dissatisfaction and concern over a stall in the reduction of the U.S. fiscal deficit, the officials said.

The Japanese negotiators also urged the U.S. to review large salaries for corporate executives and what they see as short-sighted corporate attitude of concentrating on quarterly profits, with a view of strengthening industrial competitiveness, they said.

The officials said Japan also called on the U.S. to set up a long-term export expansion plan, comparing Japan's efforts to expand imports.

Meanwhile, the Americans demanded that Japan review its legal system, including enactment of an administrative procedure law and revision of the commercial code, with a view to dismantling barriers to imports and foreign direct investment and protecting foreign shareholders' rights, they said.

The U.S. also proposed a joint survey on Japanese general trading firms, contending those firms are partly responsible for the price gap between the two nations, they said.

The follow-up meeting is a forum, held at subcabinet level, where the two countries assess each others' efforts to accomplish goals agreed to in June 1990 to eliminate trade barriers.

In January, Prime Minister Kiichi Miyazawa and U.S. President George Bush pledged to reinvigorate the SII process. Among Japanese participants are Koichiro Matsuura, deputy foreign minister, Tadao Chino, vice finance minister for international affairs, and Noboru Hatakeyama, vice international trade and industry minister for international affairs.

U.S. officials taking part in the meeting include Deputy Trade Representative Michael Moskow and Assistant Treasury Secretary Olin Wethington.

Government Wants Housing Goals Included

OW2407124692 Tokyo KYODO in English
1211 GMT 24 Jul 92

[Text] Tokyo, July 24 KYODO—Japan wants to include its efforts to improve the nation's housing in talks next week with the United States on reducing bilateral barriers to trade and investment, government officials said Friday. They said Japan will try to include in an annual bilateral report its target of enabling workers to buy good-quality houses near large cities for about five times their annual income.

Japanese and U.S. subcabinet officials will meet Tuesday and Wednesday in Tokyo to review progress in reducing trade barriers called for two years ago in the so-called Structural Impediments Initiative (SII) talks. The Japanese side is likely to propose including the efforts as a new offer, although it expects difficulties in crafting the second annual report, the officials said. The government is working on the wording of its proposal to avoid making a specific commitment to the U.S., they said.

Although the U.S. side is calling on Japan to further expand its domestic demand, it could be hard for Japan to show specific measures, they said. The housing efforts are goals from a fiscal 1992-1996 plan to improve the nation's quality of life, which was proposed by the Economic Council, a blue-ribbon advisory body to the prime minister, and approved by the cabinet at the end of June.

The U.S. has asked Japan to promote a greater supply of land and housing for its people, arguing that Japan's soaring land prices are responsible for the high national savings rate, which it considers a barrier to the entry of foreign firms. Japan is considering as new offers setting guidelines for selecting members of government councils and disclosing their agenda to promote openness and fairness, the officials said. They said the government is also considering a joint survey on general trading companies, to see whether they contribute to the large gaps between domestic and overseas prices.

Man Stabs Self To Protest Emperor's PRC Visit

OW2807081492 Tokyo KYODO in English
0703 GMT 28 Jul 92

[Text] Tokyo, July 28 KYODO—Police on Tuesday arrested a member of a rightist group after he stabbed himself in the stomach outside the home of Prime Minister Kiichi Miyazawa to protest a proposed visit by Emperor Akihito to China.

Yusuke Kuwabara, a 27-year-old member of the Tokyo-based Chuko Juku, stepped out of a taxi in front of Miyazawa's private home in Tokyo's Shibuya ward at 5:35 a.m., and began yelling slogans opposed to the imperial visit.

He then took out a knife and stabbed himself in the stomach.

Policemen arrested him on the spot for illegal possession of a weapon. They said Kuwabara's wound was not serious.

Miyazawa, who commutes daily from his own home to his official residence in central Tokyo, was asleep at home at the time of the incident.

Kuwabara also had in his possession a pamphlet addressed to Miyazawa calling for a postponement of the imperial [words indistinct]

The government is currently considering a Chinese government proposal that the emperor visit China to commemorate the 20th anniversary of the restoration of relations between the two countries.

A formal decision on the visit is likely on August 11 and the most likely time for a visit is October, according to government sources.

In late June, Kuwabara also staged a hunger strike in opposition to an imperial visit to China near the prime minister's house.

A directory of rightist-nationalist groups in Japan says Chuko Juku runs study meetings and training camps aimed at encouraging members to "take prompt action against unpatriotic actions and statements."

Two of its members have records of arrest for violent attacks on leftist radicals opposed to the imperial system.

Chuko Juku is based in Tokyo's Bunkyo ward. It was formed in 1982 and has branches in Nagano, Chiba, and Gunma Prefectures.

Government To Decide on Visit by 11 Aug

OW2707134092 Tokyo KYODO in English
1308 GMT 27 Jul 92

[Text] Tokyo, July 27 KYODO—The government wants to decide on Emperor Akihito's visit to China in a cabinet meeting August 11 at the latest, government sources said Monday.

On Tuesday, Prime Minister Kiichi Miyazawa probably will start gathering support from leaders of the ruling Liberal Democratic Party (LDP) for the idea before the cabinet makes its decision on having the emperor visit China, the sources said.

Beijing has invited Emperor Akihito and Empress Michiko to China in October in celebration of the 20th anniversary of the normalization of Japan-China ties.

The August 11 cabinet meeting is the deadline for the decision because the next meeting will be delayed until August 25 by a summer vacation. A decision at that meeting would not give enough time to prepare an imperial tour of China, the sources said.

The government wants to make a decision before the start of the traditional "Bon" holiday season in August, the sources said.

Masakuni Murakami, chairman of the LDP's Diet Affairs Committee, reportedly sought cautious handling of the matter at Monday's party meeting. "Although a newspaper report said the decision has been made (on the emperor's trip to China), I'm pretty sure the party policy remains unchanged from what it was before the House of Councillors election," he said.

LDP Vice President Shin Kanemaru asked that the final decision be made after thorough talks between the government and the LDP at the same meeting, party officials said.

"It is not a matter that we can make a conclusion about here. Since the issue is important for the party and the nation, I want you to have close contact with the chief cabinet secretary," Kanemaru was quoted as saying.

Although former Education Minister Masayuki Fujio will likely object to the royal visit to China at a Tuesday meeting of the LDP's Executive Council, Miyazawa intends to woo key party power brokers into his corner, using as a backdrop the LDP victory in Sunday's upper house election.

Fujio and other right-wing LDP members are vehemently opposed to the imperial couple's China trip.

The government will likely decide on a specific itinerary for the tour at the cabinet meeting when it officially accepts a letter of invitation from China, they said.

The imperial couple is expected to leave Japan on October 22 or 23 for a six-day trip, informed sources said. They are likely to proceed to Shanghai and Xian after a three-day stay in Beijing, the sources said.

Spokesman Says Contacts With Khmer Rouge Sought

OW2707092392 Tokyo KYODO in English
0902 GMT 27 Jul 92

[Text] Tokyo, July 27 KYODO—Japan is seeking to establish further diplomatic contact with Cambodia's Khmer Rouge faction to try and persuade the guerrilla group to disarm and rejoin the peace process, top government spokesman Koichi Kato said Monday.

Earlier this month, Sakutaro Tanino, former director of the Foreign Ministry's Asian Affairs Bureau, met Khmer Rouge leader Khieu Samphan in Bangkok but was unable to convince him to comply with the U.N. peace process.

The Khmer Rouge, the strongest of the four feuding factions, has been refusing to join in the second phase of the U.N. plan requiring disarmament and demobilization of armies.

Chief Cabinet Secretary Kato also said the government plans to dispatch a second fact-finding mission to Cambodia after the U.N. requests for Japanese peacekeepers are clarified.

Prime Minister Kiichi Miyazawa remarked earlier in the day that he hopes to send Japanese troops to join in U.N. peacekeeping operations within the year.

Watanabe Meets Cambodian Minister

OW2807053292 Tokyo KYODO in English 0502 GMT 28 Jul 92

[Text] Tokyo, July 28 KYODO—Foreign Minister Michio Watanabe on Tuesday held talks with So Khun, Cambodia's Communications, Transport, and Post Minister, on the situation in Cambodia, ministry officials said.

Regarding the Khmer Rouge, the militarily strong Cambodian faction which has rejected joining the second phase of a U.N. plan to disarm all four factions, Watanabe was quoted by the officials as saying, "we are continuing international efforts to make the Pol Pot faction observe the Paris peace accord as early as possible. Japan, together with China and Thailand, would like to make further concerted efforts to persuade (the Khmer Rouge)."

Khun told Watanabe in their talks at the Foreign Ministry that his nation welcomes the three nations' efforts at persuading the Khmer Rouge, the strongest militarily of the four rival factions, the officials said.

Also on Tuesday, Khun met with Construction Minister Taku Yamasaki over post-war reconstruction issues at the construction ministry, officials said.

During the talks, Yamasaki told Khun that Japan will accept five Cambodian trainees to study road construction within the fiscal year, the officials said. Yamasaki was quoted by the officials as saying, "Japan would like to provide cooperation to launch reconstruction as soon as possible."

Khun asked that Japan grant aid for restoring the so-called Japan bridge in Phnom Penh, which was damaged during the civil war. Japan's response to the request was not provided.

SDF Study Group Arrives in Sweden for Training

OW2807044892 Tokyo KYODO in English 0400 GMT 28 Jul 92

[Text] Stockholm, July 27 KYODO—A 35-member Self-Defense Forces [SDF] study group arrived here Monday to begin a two-week training program in United Nations peacekeeping operations, principles, and objectives prior to the scheduled dispatch of Japanese troops to Cambodia this autumn.

Twenty-nine officers of the ground SDF, as well as three each from the maritime SDF and air SDF, will begin their training regimen Wednesday at the Swedish Army's U.N. training center 200 kilometers west of Stockholm.

The instruction in basic objectives of peacekeeping missions, formations of commands specific to individual nations, logistical support, and field training will continue through August 8. The program will be taught entirely in English.

One SDF officer remarked that he wants to make the most of the chance given to him. "I want to learn one-by-one each of the duties of (peacekeeping operations)," he said.

The study mission comes ahead of a planned dispatch of Japanese troops to Cambodia this autumn as ceasefire monitors under the recently enacted United Nations peacekeeping operations law.

Sweden's own history of peacekeeping operations dates back to the passage of its U.N. cooperation law in 1974 and the creation of its U.N. stand-by force, which currently has a force of 1,800. More than 60 members of the force have been killed in peacekeeping operations.

MITI Unveils Policy Outlines for FY '93

OW2707133492 Tokyo KYODO in English 1232 GMT 27 Jul 92

[Text] Tokyo, July 27 KYODO—The Ministry of International Trade and Industry (MITI) on Monday unveiled its policy outlines for fiscal 1993, including a review of the national energy supply and demand plans and aid to smaller businesses, MITI officials said.

They said the outlines, as a basis for budgetary requests for the year stating next April 1, were presented at a meeting of the Industrial Structure Council, a ministry advisory body.

The officials said the outlines called for comprehensive energy policies to achieve economic growth, secure energy supplies, and help preserve the environment.

At the same time, the proposed policies urged a reform in the national industrial structure in the face of a labor shortage, the aging of the working population, and mass introduction of labor- saving equipment.

They also envisioned increased economic aid to the former Soviet republics and Eastern Europe.

The officials said the policy outlines will be presented to a meeting of the advisory group on August 27 as a basis for budgetary requests for fiscal 1993.

Economic Indicators Show Continued Slowdown

OW2807060292 Tokyo KYODO in English
0528 GMT 28 Jul 92

[Text] Tokyo, July 28 KYODO—Japan's economy continues to slow, according to the government's set of economic indicators for may released Tuesday.

The leading index, foreshadowing business conditions in the months ahead, stood at 20.0, down from 27.3 in April, according to the preliminary report by the Economic Planning Agency.

It was the 21st consecutive month that the index had been below the "boom-or-bust" line of 50, considered critical by economists.

The weak may leading indicator stemmed mainly from lower housing starts, an agency economist said.

The May coincident index, showing current economic conditions, was zero, down from 22.2 in April, and the lagging index, which represents economic activities in recent months, was 14.3, down from 35.7 in April.

Recovery Expected 2d Half of Fiscal Year

OW2807024292 Tokyo KYODO in English
0142 GMT 28 Jul 92

[Text] Tokyo, July 28 KYODO—The Japanese economy is expected to recover in the second half of the current fiscal year, ending next March, after a round of inventory adjustments, according to a government report released Tuesday.

The annual report, compiled by economists at the Economic Planning Agency, on the economy for fiscal 1992, was endorsed by Prime Minister Kiichi Miyazawa's cabinet colleagues.

The economic recovery will be supported mainly by final demands, notably personal spending and private-sector capital spending, the main pillars of the economy, along with a rapid increase in public works, the report said..

The White Paper, titled "Seeking For a New Perspective Beyond the Adjustment Process," however, noted that the recovery would be slow-paced and depend largely on gradual expansion in domestic demand.

Falling short- and long-term interest rates are expected to boost personal consumption and private-sector investment into facilities and equipment as the average lending rates offered by all banks are down to the level seen in mid-1989, the report said.

On Monday, the Bank of Japan cut the official discount rate by 0.5 percentage point to 3.25 percent per annum, effective immediately, the fifth since July 1991 and the lowest since October 1989.

The report said signs of recovery have been seen in the housing construction sector due to the lowering of interest rates.

The report said the government should not pursue short-term growth by issuing deficit-financing bonds in an attempt to boost the economy, but should instead place emphasis on providing the basis for sustained growth without inflation based on a medium-range perspective.

The report described the current state of the economy as one in a "difficult situation."

For the short-term, the economy is in an adjustment phase with the economic slowdown spreading to various sectors.

In the medium-term, the burst of the so-called "bubble" economy, which inflated land and stock prices, now makes it necessary for most industries, particularly banking and brokerage businesses, to establish and maintain healthier financial settings, the government report said.

Long-term problems include domestic and international issues. Domestically, a higher quality of life for individuals should be attained, while Japan needs to more fully align its economic structure in harmony with international standards, it said.

An economist at the agency explained the term "adjustment," rather than "recession," was used in the report because "it is hard to say Japan's current economy is in a recession, as the nation's economic activities are still at a high level compared with other nations and regions."

The report also discussed the structure and problems of Japan's market economy, noting four major characteristics which support the economy—stable shareholder relationships, main banks, lifetime employment terms and "keiretsu" systems within the production and distribution sectors.

The four characteristics can be used to solve the problems of a frictional market by activating competitive mechanisms for long-term relationships, the report said.

The basic direction of the structural adjustment of Japan's market economy should be to reform such attitudes as sacrificing better quality of life and lack of international harmony, the report said.

In order to reach the goal, the agency proposed that the business world cut working hours, make more transparent various kinds of information and transactions, and establish clear rules for such transactions, the report said.

Meanwhile, the government should support construction of houses and social infrastructures for the improvement of the quality of life, the report said.

The government should also contribute to the successful conclusion of the Uruguay Round and to broad economic development in order to align the Japanese economy along the lines of international standards, the report said.

Central Bank Sees Momentum for Economic Upturn

OW2807100492 Tokyo KYODO in English 0917 GMT 28 Jul 92

[Text] Tokyo, July 28 KYODO—Momentum is starting to build for Japan's economy to bottom out although it remains in an adjustment phase, the Bank of Japan said Tuesday.

In its monthly overview of economic and financial conditions, the central bank said capital stock adjustment is continuing in the manufacturing sector and inventory adjustments are squeezing production sharply.

Final demand is slowing as companies cut capital investment and consumers tighten their purse strings, the report says.

But it points to such bright signals as a recovery in the housing sector and the increasingly clear economic support from public works spending.

"While the adjustment phase continues, the momentum for the bottoming out of the economy appears to be beginning to work," the report says.

Hata Says Stocks, Economy To Recover Soon

OW2807042892 Tokyo KYODO in English 0307 GMT 28 Jul 92

[Text] Tokyo, July 28 KYODO—Finance Minister Tsutomu Hata said Tuesday the Japanese economy and stock market will likely pick up in the second half of the current fiscal year as fiscal stimulus measures take effect.

Following a regular cabinet meeting, Hata told a press conference that investors are remaining on the sidelines, making the stock market susceptible to small-lot selling.

The benchmark Nikkei average continued its downward March Tuesday, following a losing session Monday, which dragged the index down to the year's low despite an official discount rate cut by the bank of Japan earlier in the day.

The weakness in major overseas markets such as London and New York appear to be affecting the market as well, he said.

But with fiscal stimulus measures already applied, as well as forthcoming additional fiscal spending, starting to have an effect on the economy, the stock market will also benefit, he said.

He also said the government believes the economy will see an upturn in the second half of fiscal 1992.

"The final demand is still increasing (although the pace is slowing)," he noted.

In a monthly meeting of economic ministers and the BOJ [Bank of Japan] governor, held before the cabinet meeting, there was a call for expansion of public financing for housing, Hata said.

He said the government will seriously consider the idea.

One minister also requested the government to issue "guidance" to banks so they do not squeeze their lendings too tightly, according to Hata.

Other ministers called for measures to activate land transactions, he said.

Long-Term View of Fiscal Policy Urged

OW2707090092 Tokyo KYODO in English 0821 GMT 27 Jul 92

[Text] Tokyo, July 27 KYODO—Chief Cabinet Secretary Koichi Kato, commenting on Monday's new six-year low on the Tokyo stock exchange, said government efforts to turn around the economy should be judged from a long-term perspective.

It will take some time for the effects of Monday's cut in the official discount rate and a new stimulative fiscal package pledged for mid-September to be seen in the stock market, Kato said at a regular news conference.

The 225-issue Nikkei stock average fell 124.45 points to 15,373.34 Monday after soaring in the morning in reaction to the Bank of Japan reduction of the prime lending rate by .5 percentage point to 3.25 percent.

The rate cut came three days after the government in an election-eve move pledged to draw up a stimulative package by mid-September.

Kato said that establishing strong economic fundamentals is the most important thing for the government to do. Doing so should have a favorable effect on the stock market, he said.

Industry Executives Pin Hopes on Pump-Priming

OW2707123492 Tokyo KYODO in English 1200 GMT 27 Jul 92

[Text] Tokyo, July 27 KYODO—Japanese industrial executives welcomed the Bank of Japan's half-point cut in its official discount rate to 3.25 percent Monday but some officials expressed hope that the government will follow it up with strong pump-priming measures.

A Sony Corp. executive, who asked not to be identified, said the government should implement a broad range of economic programs, including measures to stimulate the depressed stock and real estate markets.

Masaki Yoshida, chairman of the Japan Petrochemical Industry Association, said the discount rate [words indistinct] a psychological effect that will boost the economy.

Sho Nasu, chairman of the Federation of ELectric Power Companies, said the cut will boost the morale of most companies.

But a Nissan Motor Co. executive, who asked not to be identified, was less optimistic. With depreciation costs peaking, a lower interest rate would not lead to an increase in capital investment, he said.

A Toyota Motor Corp. official said there will not be a business recovery unless the stock market recovers, thus making it easier for companies to raise funds on the market.

Tadashi Okita, vice president of Hitachi Ltd., said his company is not considering an expansion in capital investment despite the rate cut, because demand for consumer electronics is slumping.

Tadahiro Sekimoto, president of NEC Corp., said the rate cut could help halt the economic slowdown but would not put the economy back on an expansionary track.

520 Billion Yen Fund Surplus Expected in August

OW2807100392 Tokyo KYODO in English
0850 GMT 28 Jul 92

[Text] Tokyo, July 28 KYODO—The Bank of Japan (BOJ) forecast Tuesday the Tokyo money market will see a surplus of 520 billion yen in August, compared with a 2.50 trillion yen surplus a year earlier.

The amount excluded the issuance of government bonds.

Massive inflows of summer bonuses into the banking system contributed to the surplus, the central bank said.

Industrial Output Increases 2.1 Percent in June

OW2807081192 Tokyo KYODO in English
0744 GMT 28 Jul 92

[Text] Tokyo, July 28 KYODO—Japan's industrial production picked up in June for the first time in two months, rising a seasonally adjusted 2.1 percent from the previous month, the Ministry of International Trade and Industry said Tuesday.

The rise in output at factories and mines followed a 1.9 percent decline in May, the ministry said in a preliminary report.

On an unadjusted basis, production fell 4.2 percent in June from a year earlier, marking an annual decline for the ninth straight month.

The ministry said the series of year-on-year drops was the longest since the 20-month streak from May 1974 through December 1975.

Koichi Yoshimoto, chief of the ministry's Statistics Analysis Division, predicted production will remain sluggish for some time, saying the monthly rise was a kind of reaction to the May decline.

Shipments increased in June for the first time in four months, rising a seasonally adjusted 1.9 percent from May. On an unadjusted basis, they were down 4.0 percent from a year earlier, posting the seventh consecutive month of year-on-year declines.

The seven-month streak of annual shipment declines was the longest since the fall from July 1982 through February 1983, the ministry said.

June inventories increased for the third month in a row, rising a seasonally adjusted 0.8 percent from the previous month, after monthly growth of 0.4 percent in May and 0.2 percent in April.

On an unadjusted basis, inventories rose 5.7 percent from a year earlier, after posting 5.5 percent year-on-year growth in May.

Yoshimoto said stockpiling of final-demand products surpassed the inventory adjustment of producer goods.

He took a pessimistic view of the outlook, saying adjustment of inventories has not proceeded well and may take a while longer.

The ministry predicted a 2.9 percent increase in industrial production for July and a 4.5 percent drop for August based on a survey conducted early this month.

The ministry also reported industrial output fell 2.4 percent in the April-June quarter from the previous quarter on an adjusted basis, dropping an unadjusted 6.3 percent from a year earlier.

Shipments for the April-June period were off 3.1 percent from the previous three-month period and down 5.3 percent from a year earlier.

It was the third consecutive quarter of declines in both production and shipments, the longest stretch since the four quarters of drops from April-June 1974 through January-March 1975, the ministry said.

Export Contracts Rise, Imports Drop in June

OW2807081592 Tokyo KYODO in English
0736 GMT 28 Jul 92

[Text] Tokyo, July 28 KYODO—Export contracts signed by Japan's 19 major trading houses in June surged 14.4 percent from a year earlier to 1,220.3 billion yen, while import contracts dropped 7.4 percent to 1,573.3 billion yen, a traders' organization said Tuesday.

According to the monthly report by the Japan Foreign Trade Council, the increase in the export contracts signed in June was led by large-lot orders for plant construction, as well as for automobiles and steel.

Such plant contracts included a liquefied natural gas plant in Malaysia, a heavy electrical plant in India, and a gas turbine plant in China. Orders in this category jumped to 363.1 billion yen, up 228.3 percent from the year-earlier level, the organization said.

The monthly report on export and import contracts by the trading houses is considered as early indicator of the nation's trade balance, as the surveyed 19 companies handle nearly half of Japan's merchandise trade.

By product, demand for steel and automobiles in particular increased in the month.

Steel export contracts rose 16.7 percent from a year earlier to 122.4 billion yen, and automobile export deals increased 7.6 percent to 354.8 billion yen.

By region, export contracts for southeast Asian countries jumped by 48.3 percent from a year earlier to 521.7 billion yen. In those countries, demand for industrial plants, steel, nonferrous metals, and machinery were brisk.

Exports contracts for Latin American countries such as Panama, Uruguay, and Peru shot up 98.2 percent to 67.8 billion yen, centering on such products as automobiles. Exports contracts for Middle Eastern countries, mainly for steel and automobiles, surged 39.5 percent to 98.6 billion yen.

Exports contracts for the United States rose a mere 1.5 percent to 220.1 billion yen, while those for Western Europe rose 12.4 percent to 146.9 billion yen.

Import contracts signed in June, on the other hand, fell for the 12th straight month since July last year, the organization said.

Import contracts were particularly sluggish in such categories as nonferrous metals, machinery, and nuclear fuel.

Contracted imports from Western Europe plunged 43.7 percent, centering on such products as nuclear fuel and aviation machinery tools, to 169.4 billion yen.

Contracts for imports from the United States fell 8.8 percent, with machinery dropping notably, to 237.8 billion yen.

Meanwhile, the organization said export contracts signed during the first six months of this year by the 19 trading houses fell a mere 1.2 percent from the same period of last year to 7,375.4 billion yen, while import contracts fell a sharp 13.2 percent to 8,190.4 billion yen.

Labor, Environment Forcing Economy To Change

*OW2707115492 Tokyo KYODO in English
1007 GMT 27 Jul 92*

[Text] Tokyo, July 27 KYODO—The Japanese economy, confronted by a chronic labor shortage and growing environmental concerns, needs to be radically overhauled toward the turn of the century, a private-sector think tank said Monday.

The best way to respond to these challenges is to better harness market forces, the Research Institute on the National Economy said in its long-term economic forecast.

The institute said the country's traditional lifetime and seniority-based employment system is under threat from the falling birthrate, shorter working hours, and the increasing frequency of job-hopping.

To counter the labor problems, companies need to mobilize their work forces more frequently, utilize elderly and female workers, and activate overseas direct investments, as well as promoting labor-saving policies through technological innovation.

The institute also pointed out that no companies can ignore environmental issues like global warming in their future business activities.

It also proposed the introduction of an environmental tax and other surcharge systems for curbing business activities not in harmony with the spirit of environmental protection.

It concluded that more efficient use of work forces and technological innovation in the future will combine to allow the economy to potentially sustain around 4 percent annual growth toward the year 2000.

Government Role in Reactor Development Urged

*OW2807024592 Tokyo KYODO in English
0155 GMT 28 Jul 92*

[Text] Tokyo, July 28 KYODO—The Atomic Energy Commission on Tuesday recommended greater government involvement in development of fast breeder reactors to offset delays caused by a downturn in the private sector.

The commission made the recommendation in its first revision in five years of the government's long-term basic plan for the industry.

Under the revised plan, the government would play a stepped-up role in the development of a working version of a fast breeder reactor, rather than leaving it mainly to the private sector.

The end of the Cold War era and the growth of private sector involvement in the development of nuclear power are behind the revision, officials said.

Japan's use of plutonium, also a component in nuclear weapons, has attracted international attention since the end of the Cold War era, but the revised policy does not deviate from plans for placing the future emphasis on use of fast breeder reactors.

The new plan outlines steps for the next decade designed to take the nuclear power industry into the first half of the 21st century.

Fast breeder reactors use reprocessed plutonium as fuel, but produce more plutonium than they consume.

Japan already has one research reactor, named "Monju," in a nuclear power plant in Tsuruga, Fukui Prefecture.

But a commission subcommittee recommended the government take the lead from the private sector in the development of a working version of the Monju prototype.

The development of the working version is already behind schedule and because of the worsening economic situation, the plan shows the government is now prepared to step in and take the lead.

The committee said that to avoid misunderstandings internationally as well as domestically, it will make available its plans for reuse of plutonium, including the amount produced.

Since there will be a temporary oversupply of plutonium as a result of the dismantling of nuclear weapons in the former Soviet Union, the long-term plan also provides for the development of fast breeders which do not produce excess plutonium.

Mongolia

Great Hural Holds First Post-Election Session

OW2007162692 Tokyo KYODO in English 1347 GMT 20 Jul 92

[Text] Ulaanbaatar, July 20 KYODO—Mongolia held its first People's Great Hural (assembly) session Monday [20 July] since the ruling Mongolian People's Revolutionary Party (MPRP) swept parliamentary elections late last month.

Puntsagiyn Jasray, who heads a union of private cooperatives, is expected to become the country's new prime minister and will form a new cabinet Tuesday at the earliest, diplomatic sources said.

All 76 newly elected assembly members, including six members of opposition parties, attended Monday's opening ceremony of the 10-day session.

The opposition members, however, are not planning to join the new cabinet since they blame the MPRP coalition government for their heavy losses in the last election, the sources said.

President Punsalmaagiyn Ochirbat on Sunday endorsed the results of the vote of the ruling party's central committee, which nominated Jasray as its prime ministerial candidate.

Premier Wants To Halt Economic Recession

OW2507131592 Beijing XINHUA in English 1243 GMT 25 Jul 92

[Text] Ulanbaatar, July 25 (XINHUA)—Mongolian Premier Puntsagiyn Jasray told a government newspaper today the top priority for his new administration was to implement a policy aimed at halting production decline and economic recession.

In an interview with the newspaper, the premier said his government would link tradition with reforms and make efforts to create a good beginning for the government.

He pledged to continue pursuing an opening policy, developing relations of equality and mutual benefit with other countries in the world.

Meanwhile, the government would cooperate with other countries guided by the principle of mutual respect and non-interference in each other's internal affairs, he said.

North Korea

Pyongyang Notes Kim Tal-hyon, No Tae-u Meeting

SK2807053592 Pyongyang Korean Central Broadcasting Network in Korean 0300 GMT 25 Jul 92

[Text] Kim Tal-hyon, vice premier and chairman of the External Economy Committee, who is now staying in South Korea, visited Chongwadae [presidential residence] yesterday.

After exchanging greetings with the South side's President, Vice Premier Kim Tal-hyon said that our respected and beloved President Kim Il-song is very well and that he is always among the people and working energetically.

After noting that President Kim Il-song said several times that the reunification of the country should be achieved in the nineties without fail, the South side's president said that he has the same opinion and that Vice Premier Kim's visit to Seoul is meaningful in that sense.

After saying that the North-South economic cooperation has become a national joint effort which the North and the South should realize without fail both for the unified development of the national economy and for the reunification of the country, Vice Premier Kim Tal-hyon stressed that this visit to Seoul is aimed at expediting the reunification in the long run and at pressing ahead with cooperation in the economic fields at present.

The South side's president arranged lunch for the Vice Premier and his entourage.

Leaders Present at Liberation War Celebrations

SK2807105092 Pyongyang KCNA in English 0438 GMT 28 Jul 92

[Text] Pyongyang, July 28 (KCNA)—The 39th anniversary of the victory of the Korean people in the great Fatherland Liberation War was significantly celebrated in Korea.

July 27, 1953 when the United States signed the armistice agreement after sustaining a bitter defeat in the war it provoked in Korea is celebrated in the country as day of the victory in the war.

A meeting commemorating the 39th anniversary of the victory in the war was held at Kim Il-song Square Monday [27 July] with the participation of more than 10,000 working people.

Present there were Yi Chong-ok, Politburo member of the Central Committee [C.C.] of the Workers' Party of Korea [WPK] and vice-president; Vice Marshal Choe Kwang, Politburo member of the C.C., the WPK, vice-chairman of the National Defence Commission of the DPRK, member of the party Central Military Commission and chief of the General Staff of the Korean People's Army; Kim Chong-rin, secretary of the C.C., the WPK; Chang Chol, vice-premier of the Administration Council; and others.

Kang Hyon-su, chief secretary of the Pyongyang Municipal Party Committee and chairman of the Pyongyang Municipal People's Committee, in his commemorative address said that the historic victory of the Korean people in the Fatherland Liberation War was a brilliant victory of the outstanding military idea and the chuche-based strategy and tactics of the great leader Comrade Kim Il-song and a powerful demonstration of the invincible might of the Korean people and the People's Army singleheartedly united around the party and the leader.

Noting that a durable peace is not yet guaranteed on the Korean peninsula and the Korean people have not yet accomplished the cause of national reunification, he said that the splittists at home and abroad are intensifying the moves for confrontation and division, aggression and war, resorting to a malicious anti-DPRK campaign, while putting a spoke in the wheel of the implementation of the North-South agreement and the joint declaration on denuclearisation adopted with so much difficulties.

Speeches were made, songs sung and poems recited and an evening dancing party took place at the square in celebration of the victory in the war.

Meanwhile, an "evening of victory in the war," was held at the Pyongyang indoor stadium by students and young soldiers in the capital.

Similar meetings took place in South Pyongan, Kangwon and North Hwanghae Provinces on July 26 and 27.

Foreign Ministry Delegation Returns From Africa

SK2707125092 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 24 Jul 92

[Text] A Foreign Ministry delegation led by Vice Foreign Minister Pak Ui-chun returned home on 24 July by plane after visiting Zimbabwe, Mozambique, Mali, and Guinea.

Kim Yong-nam Leaves for Syria, Iran, Pakistan

SK2707051392 Pyongyang KCNA in English 0443 GMT 27 Jul 92

[Text] Pyongyang, July 27 (KCNA)—Vice-Premier and Foreign Minister Kim Yong-nam and his party left here Sunday [26 July] by air for a visit to Syria, Iran and Pakistan.

They were seen off at the airport by Vice-Minister of Foreign Affairs Cho Kyu-il, the Syrian ambassador to Korea and charges d'affaires ad interim of the Iranian and Pakistani Embassies here.

Pyongyang Declaration Signed by 121 Parties

SK2807065692 Pyongyang KCNA in English 0418 GMT 28 Jul 92

[Text] Pyongyang, July 28 (KCNA)—The representatives of the political parties aspiring to socialism including the communist and workers' parties of many countries in the world who had visited Pyongyang to participate in the celebrations of the 80th birthday of the great leader President Kim Il-song (April 15th, 1992), adopted the Pyongyang Declaration reflecting their steadfast will to defend and advance the socialist cause.

Representatives of 70 parties including 48 party leaders have signed the declaration by the 20th of April.

The Pyongyang Declaration "let us defend and advance the cause of socialism" was signed by many political parties whose delegates were present at the conference of leftist political parties in the Latin American and Caribbean region held in Nicaragua from July 16 to 19. They include the Sandinist National Liberation Front of Nicaragua, the Revolutionary Party of the Central American Working People of Salvador, the Communist Party of Uruguay, the Large Front of Uruguay, the March 26 Movement of Uruguay, the Popular Democratic Movement of Ecuador, the Honduran Party for Transformation, the Honduran Movement for Unity of the People's Revolution, the Dominican Labour Party, the People's Movement of Dominica, the Socialist Party of Puerto Rico, the National Revolutionary Union of Guatemala, the Salvadoran Farabundo Marti National Liberation Front, the Socialist Party of Ecuador, the Liberal Bolivia Movement, the Revolutionary Party of Workers of Argentina, the Revolutionary Party of Workers of Colombia, the Revolutionary Party of Workers of Uruguay, the Popular Intransigency Party of Argentina.

The declaration was also signed recently by the Vanguard Party of Bahamas.

Thus, 121 political parties have signed the Pyongyang Declaration as of July 20.

Meeting Marks Cuban Revolution Anniversary

SK2507143692 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 23 Jul 92

[Text] A commemorative meeting was held on the afternoon of 23 July at the Central Youth Hall to mark the 39th anniversary of the 26 July armed uprising of the Cuban people.

Portraits of the great leader Comrade Kim Il-song, general secretary of the Workers Party of Korea [WPK] Central Committee and DPRK president, and the respected Comrade Fidel Castro Ruz, first secretary of the Communist Party of Cuba Central Committee and president of the Council of State, were placed in the meeting hall. Slogans reading "Hurrah for the invincible friendship and solidarity between the Korean people and Cuban people!" were seen at the meeting.

Present at the meeting were Comrade Chang Chol, vice premier of the State Administration Council; Chong Chun-ki, chairman of the Committee for Cultural Relations With Foreign Countries; Kim Chin-pom, vice chairman of the Korea-Cuba Solidarity Committee and vice chairman of the Committee for Cultural Relations With Foreign Countries; other functionaries concerned, and working people of the city. Juan Jose Leon Vega, ambassador extraordinary and plenipotentiary of the Republic of Cuba to our country, and the embassy staff were invited to the meeting.

The meeting began with our country's and Cuba's national anthems.

Speeches were made at the meeting. Chairman Chong Chun-ki spoke first.

[Begin Chong Chun-ki recording] Respected Comrade Ambassador Juan Jose Leon Vega and comrades:

Today, on this historical occasion when the friendship and unity between the people of the two countries of Korea and Cuba are developing to a new high stage on the one road of struggle, the new fatherland, along with the Cuban friends we have here, embrace with joy the marking of the 39th anniversary of the Cuban people's armed uprising.

On this meaningful day, I enthusiastically congratulate the comrade Cuban ambassador and other Cuban friends present with us here and send warm militant greetings through all of you to the fraternal Cuban people on the 39th anniversary of the armed uprising. [applause]

Thirty-nine years ago, the righteous Cuban sons and daughters highly lighted the torch for an armed struggle in Cuba by engaging in the great combat of attacking the Moncada military fortress, a major strategic military point of [word indistinct] Batista's dictatorship, headed by their top leader Comrade Fidel Castro Ruz. The torch of struggle that the Cuban revolutionaries lighted in this battle smashed the pro-U.S. dictatorial regime and reflected the Cuban people's desire to establish a [word indistinct] people's regime. This made it possible to annihilate the U.S. imperialists and their lackeys and give the people carrying this out under the (?basis of the Castro dictatorship) the victory of faith and a ray of hope. This also became an apple of the revolution to vigorously encourage the people in the struggle for freedom and liberalization.

With the 26 July Movement providing momentum, the Cuban people firmly consolidated their revolutionary faith to live and struggle in accordance with the Moncada spirit and developed the revolutionary struggle in Cuba to a new stage. [end recording]

Chong Chun-ki continued to note that after the victory of the revolution, under the correct leadership of the Communist Party of Cuba and the government, the Cuban people not only honorably defended the sovereignty of the country and the gains of the revolution by smashing every step of the way all aggressive and subversive maneuvers of the imperialists, but also changed the appearance of the country quickly by accelerating socialist construction. He also pointed out that today they are still advancing with firm faith along the way of socialism.

Ambassador Juan Jose Leon Vega spoke next.

[Begin Juan Jose Leon Vega recording in Spanish fading into Korean translation] Comrades of the DPRK and Cuba:

On the occasion of the 39th anniversary of the armed uprising of the Cuban people, we extend deep thanks to the WPK, DPRK foreign affairs figures, the DPRK Society for Cultural Relations With Foreign Countries, and the DPRK-Cuban Solidarity Committee, which have [words indistinct]. [applause]

Twenty-six July 1953 in our country's history demanded [words indistinct]. This is because (?young) revolutionaries bravely attacked [words indistinct] under the command of Comrade Fidel Castro. This gave [words indistinct] to all Cuban people who were fighting against [words indistinct]. [Word indistinct] assault was [words indistinct]. In addition, the assault laid the foundation for the revolutionary victory on 1 January 1959, that is, the victory of our entire people, which glorified the leadership of Comrade Fidel Castro. The success from the revolutionary victory was great. Even our heinous enemies cannot deny the Cuban revolutionary achievements, such as [words indistinct]; the eradication of illiteracy among illiterates reaching approximately [word indistinct]; the establishment of [word indistinct] system for the first time in the world; the armed forces of [words indistinct], who have faithfully defended the fatherland; and the international spirit displayed by all the Cuban people, who [words indistinct].

[Passage indistinct]. At the same time, this is the most momentous time, when our Cuban people should pledge to defend the glorious socialist cause at the risk of their lives. [end recording]

After exposing that the U.S. imperialists are mapping out a new terrorist plan to frustrate the Cuban revolution, Juan Jose Leon Vega said that the Cuban people are, however, confidently following the victorious advance of the revolution, smashing the U.S. imperialists intervention and maneuvers at every step. He went on to say:

[Begin Juan Jose Leon Vega recording in Spanish fading into Korean] Comrades: [words indistinct]. Our two countries are fighting against the U.S. imperialists' aggression and pressure and defending socialism in the Western and Eastern hemispheres. The people of our two countries are geographically distant; however, our two countries are very close to each other, because we are fighting against the U.S. imperialists, that is, our common enemy.

Our friendship is firmly based on the friendship between the people of the two countries, on the friendship between the two countries' parties, and on the friendship between Comrade Kim Il-song, the great leader of the Korean people, and Comrade Fidel Castro, our supreme commander.

In the arduous and difficult time facing mankind, the DPRK and Cuba have defended glorious socialism. The DPRK and Cuba should demonstrate to the entire world and the revolutionaries how powerful is the might of the people, who have defended socialism and who have upheld the great leaders under the parties' valuable leadership. [applause]

The world's people are watching Cuba and the DPRK. We should show that socialism is alive and that socialism is the most promising society which can never be compared with capitalism. The path to the revolutionary struggle is never easy. As long as the just ideology exists and basic principles are maintained, victory and glory will be reserved for socialism in the end. [applause]

Comrades: Support for the independent and peaceful reunification of Korea has always been and will always be a matter of principle in Cuba's foreign policy. [applause] Recently, we witnessed not only the South Korean puppets maneuvers to prevent the implementation of the North-South agreement, but also the South Korean puppets running wild to [words indistinct] the DPRK with armed forces, under the pretext of the nuclear issue according to the imperialists' directive, even though North Korea had accepted the International Atomic Energy Agency's nuclear inspections. The South side's hidden sinister intent is to achieve reunification by absorbing North Korea. Because the DPRK people have upheld the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il, we firmly believe that they will gain a victory in [word indistinct] without fail. [applause]

Even though the U.S. imperialists and the South Korean puppets are running wild in moves against the DPRK and to pressure the DPRK, they cannot bring the Korean people, who have been tempered in battles, to their knees. Some day, the U.S. imperialists will be forced to withdraw their military bases from South Korea and [words indistinct].

All the Korean people, who desire the national reunification, [words indistinct]. The Cuban people will always stand with the DPRK people. Nothing and no one can prevent our people from going toward socialism. We will more vigorously make efforts to bring into full bloom the friendship between the DPRK and Cuba.

We should take this opportunity to ask you to deliver our thanks to Comrade Kim Il-song and Comrade Kim Chong-il, who have expressed solidarity to our people for the Cuban revolution for the past 32 years. [applause]

Long live friendship between Cuba and the DPRK [applause]; long live Comrade Kim Il-song, the great leader of the Korean people [applause]; long live Comrade Fidel Castro, the supreme commander of the Cuban people [applause]; long live Comrade Kim Chong-il, the dear leader of the Korean people. [applause] [end recording]

The rally ended with the playing of the "International Song."

SKNDF Sends Message to Koreans in U.S.

SK2807104492 Pyongyang KCNA in English 0428 GMT 28 Jul 92

[Text] Havana, July 26 (KCNA)—Yi Chong-sang, chief of the mission of the South Korean National Democratic Front [SKNDF] in Havana, sent a letter to the Koreans residing in Americas over the Havana International Radio on July 24.

He said in the letter that at present all Koreans in the North and the South and overseas must merge their voices into one in strongly urging the South Korean authorities to honestly implement the North-South agreement.

He charged that the United States while raising a hue and cry over the "nuclear problem" was putting a unilateral pressure upon the North from a hegemonical stand, refusing an overall inspection of its nuclear weapons and bases in South Korea and laying main obstacles in the way of implementing the declaration on denuclearization.

Noting that the agreement concluded between the North and the South reaffirmed the three principles of national reunification laid down in the July 4 joint statement, he said that, if the South Korean authorities intended to correctly implement this common oath to the nation, they must, above all, discard the idea of depending on outside forces and take the road of great national unity in the spirit of national independence.

To this end, the South Korean authorities must reject the U.S. pressure and interference and shake themselves free from its nuclear umbrella, he stressed.

He called upon all Koreans in the South and the North and abroad to follow with due vigilance Japan's moves to turn herself into a military power and a nuclear power today when they pose a grave threat to peace and security in the Korean peninsula and Asia.

Since the "Ulsa Five-point Treaty" and the "Chongmi Seven-point Treaty" are false documents forged by the Japanese imperialists and they concern the dignity of the nation, the authorities of the South and the North must take a joint action and a step to get an apology and compensations, he said.

Foreign Military Delegations Praise Army

SK2707125392 Pyongyang KCNA in English 1012 GMT 27 Jul 92

[Text] Pyongyang, July 27 (KCNA)—Members of military delegations of different countries who visited the DPRK highly praised the greatness and undying feats of the respected leader President Kim Il-song and the dear leader Comrade Kim Chong-il who are wisely leading the revolutionary armed forces.

Badaye Fayama, commander-in-chief of the High Command of the People's Armed Forces of Burkina Faso, said that the Korean People's Army (KPA) is ever-victorious revolutionary armed forces.

The KPA is the best army that is disciplined and closely united and has a glorious history, he noted.

Nazar Hussain, head of the Pakistani military delegation, said the great leader Comrade Kim Il-song waged the armed struggle against Japanese imperialism to liberate Korea and built a people's paradise in Korea.

Noting that Comrade Kim Chong-il, the supreme commander of the Korean People's Army, has fully personified the popular traits and distinguished strategy of the great leader, he stressed: It is the shining fruition of his great leadership and benevolent loving care that the KPA is now demonstrating its invincible might.

Bassabi Bonfoh, chief of General Staff of the armed forces of Togo, said that His Excellency Generalissimo Kim Il-song set forth the military line of turning the entire army into an army of cadres, modernizing the entire army, arming the entire people and converting the whole country into a fortress and His Excellency Supreme Commander Kim Chong-il is realising it successfully.

Today, the KPA is strengthening and developing into an invincible army under the wise leadership of His Excellency Supreme Commander, he said.

Syed Abm Ashrafuziaman, delegate of the armed forces of Bangladesh, said: It was thanks to the chuche-based military strategy and tactics of Generalissimo Kim Il-song that the KPA won victories in the fight against two imperialisms on the historical road covering 60 years.

Ivan Koreta, general director of the logistics of the National Resistance Army of Uganda, expressed the belief that the Korean people and People's Army will surely reunify the country and achieve a complete victory of socialism under the leadership of the great leader Generalissimo Kim Il-song and the dear leader Marshal Kim Chong-il, outstanding military strategists.

South Korea

Sixth S-N Cooperation Subcommittee Meeting Held

SK2807062892 Seoul KBS-1 Radio Network in Korean 0500 GMT 28 Jul 92

[Text] South and North Korea today held the sixth round of South-North Exchange and Cooperation Subcommittee meeting at Panmunjom. They discussed ways to adopt the supplementary agreement, but no agreements were reached. The following is a report by reporter Chang Hyon-kyu:

[Begin Chang Hyon-kyu recording] Today's sixth round was held one month after the last meeting. This was the first Exchange and Cooperation Subcommittee meeting since North Korea's Vice Premier Kim Tal-hyon visited Seoul. During Vice Premier Kim's visit, North Korea showed a positive attitude in South-North economic cooperation. Therefore, today's meeting attracted interest on whether the North side's attitude had changed.

In his opening remarks, Yim Tong-won, chairman of our side's delegation, said that Vice Premier Kim's visit to Seoul brought forth a good atmosphere for the meeting. He also proposed to the North side that the two sides begin a members' contact next week and complete the adjustment of the text of the agreement to settle the supplementary agreement within the given time. He continued to urge the North side to withdraw its preconditions at an early date so that the exchange visits of the elderly parents of displaced families, which is the first visible result achieved since the effectuation of the South-North basic agreement, can take place at the agreed-upon date.

In today's talks, our side clearly revealed that there is no change in our position that parties wishing to engage in economic exchange and cooperation must receive approval from government authorities. This is one of the points of dispute in the supplementary agreement. Our side proposed that the issue of abolishing the legal and institutional devices, which the North side is calling for, should be discussed at the Political Subcommittee meeting.

The North side clearly stated that it will reject the proposal on receiving approval by the authorities to carry out economic exchange and cooperation by the parties concerned. It also repeated its position that if the South side does not change its attitude on the nuclear issue and does not return Yi In-mo to the North, the exchange visits of elderly parents cannot be achieved.

Both sides of the South and North agreed to hold a members' contact at the conference room of the Neutral Nations Supervisory Commission on 10 August and continue negotiations. [end recording]

'Some Differences' Narrowed

SK2807084992 Seoul YONHAP in English 0831 GMT 28 Jul 92

[Text] Seoul, July 28 (YONHAP)—South and North Korea made a little progress Tuesday [28 July] in the sixth meeting of the inter-Korean Exchange and Cooperation Subcommittee in the truce village of Panmunjom, narrowing some differences over transportation routes and humanitarian projects.

The two sides agreed to open two sea routes and a temporary overland road, and add more routes in accordance with improvements in talks.

North Korea proposed seeking measures to help separated family members make free travel, exchange visits and be reunited under the Red Cross Societies of the two countries, signalling a compromise with Seoul.

The two sides also agreed to the title, preamble and subtitles of the supplementary agreement.

The North was steadfast on its demand for repatriation of Yi In-mo, a North Korean war correspondent in the South, separation of the inter-Korean talks from the nuclear issue and cancellation of the South Korea-U.S. "Focus Lens" combined field exercise.

Yim Tong-won, head of the South Korean delegation, said a scheduled exchange visit was the first palpable product of the inter-Korean basic agreement on reconciliation and nonagression and that it should be realized without any conditions.

The two sides agreed to meet again Aug. 10 at the conference room of the Neutral Nations Supervisory Commission at Panmunjom to coordinate clauses in the supplementary agreement.

North Proposes 4 Aug Women's Contact

SK2807080892 Seoul YONHAP in English 0759 GMT 28 Jul 92

[Text] Seoul, July 28 (YONHAP)—Yo Yon-ku, a vice chairperson of the North Korean Supreme People's Assembly, proposed to Seoul a contact Aug. 4 at the truce village of Panmunjom to discuss a three-nation women's conference.

Yo made the offer in answer to a South Korean proposal for a contact July 29 for the third conference on peace in Asia and women's role in Pyongyang this fall.

Yo's counterproposal came in a telephone message to Yi U-chong, a former vice chairperson of the South Korean National Council of Churches.

ROK To Protest U.S. Antidumping Suits

SK2807064092 Seoul YONHAP in English 0624 GMT 28 Jul 92

[Text] Seoul, July 28 (YONHAP)—The South Korean Trade and Industry Ministry will send protest letters to the U.S. trade representative (USTR) and commerce secretary in connection with a decision to investigate 84 anti-dumping suits against steel imports.

The move follows Tuesday's [28 July] meeting of government and business officials, the second meeting of the kind prompted by the U.S. action July 20.

The Ministry will make an all-out effort to exclude hot-rolled sheet, which accounts for 60 percent of Korean steel exports to the United States, from the anti-dumping suits. A preliminary ruling is scheduled for Aug 14.

Hot-rolled sheet is made by UPI, a joint venture between Pohang Iron and Steel Co. of Korea and USX of the United States, and has little effect on the American steel industry, according to Ministry officials.

The Ministry will seek joint measures with major countries, particularly Japan and the European Community, that have been accused of dumping steel products in the U.S. market and may file a collective suit with the General Agreement on Tariffs and Trade (GATT), the officials said.

SRV Designates Liaison Office Chief in Seoul

SK2807091692 Seoul YONHAP in English 0903 GMT 28 Jul 92

[Text] Seoul, July 28 (OANA-YONHAP)—Vietnam plans to send Nguyen Phu Binh, director-general for political affairs at the Foreign Ministry, to head its liaison office in Seoul, diplomatic sources said Tuesday [28 July].

Vietnamese officials have informally notified the South Korean representative office, in operation in Hanoi since July 20, of the plan, according to the sources.

Bihn, said to be in his late 40s, ranks highest among the directors-general in the ministry.

South Korea and Vietnam do not have diplomatic relations but are working toward them, most likely within this year. The two countries severed ties in 1974, when the Indochinese country was communized.

Vietnam has not yet said when it will open its liaison office here, but sources said it is expected by September at the latest.

The two countries are negotiating return of the former South Vietnamese Embassy building in Hannam-dong, southern Seoul, on condition that Hanoi arrange a similar-scale office as the one Seoul had there before ties were cut off.

Meanwhile, Vietnam has decided on Duong Chinh Thuc, deputy chief of the Foreign Ministry's Northeast Asia Division, as next ambassador to North Korea, the sources said.

Thuc will take up his post at about the same time as Bihn's arrival in Seoul, they said.

Negotiations With Russia for Stalin's Documents

SK2807103792 Seoul CHOSON ILBO in Korean 28 Jul 92 p 2

[Text] Russia has recently informed the military attache at the ROK Embassy in Russia that it can offer the ROK a pouch containing Stalin's personal writings that will confirm the theory on North Korea's invasion of South, which started the Korean war. The Defense Ministry is negotiating with relevant Russian officials for the papers. According to the Defense Ministry on 27 July, General Dmitriy Volkogonov, military assistant to Russian President Yeltsin, revealed that if the ROK wants to pay "a high price" for the right of publication in translation of the book "Stalin's Autobiography—Victory and Tragedy" (published in 1988), he can offer material and data including a pouch containing Stalin's personal correspondence in early 1950 about war preparations to then Soviet ambassador to North Korea (Stikov).

The documents that General Volkogonov, a military historian, said would be offered are known to include: a "preemptive offensive operational plan," prepared as a concrete document to start a war by Lieutenant General Vasilyev and members of the Soviet military advisory group in early May 1950 and was handed over to Kim Il-song; "the order for reconnaissance" handed down on 18 June to seven divisions of the People's Army deployed at the 38th Parallel from the Intelligence Headquarters of the Supreme Command of the People's Army; and documents revealing Stalin's decision to have the Chinese People's Volunteers participate in the war in October because the North Korean Communist Army was being defeated and clarifying the Soviet position limiting the Soviet role to the support of weapons and logistics.

Kim Tal-hyon's Visit Not Reported in DPRK

SK2807060992 Seoul KBS-1 Television Network in Korean 1200 GMT 16 Jul 92

[Text] It has been revealed that the North Korean broadcast reporting North Korean Vice Premier Kim Tal-hyon's visit to Seoul today was the transmission beamed overseas and to the South, which North Korean residents cannot receive.

Kim Chong-il's Half Brother Absent From Public

SK2807094992 Seoul KBS-1 Radio Network in Korean 0130 GMT 28 Jul 92

[YONHAP report from Tokyo]

[Text] Japan's SANKEI SHIMBUN today reported that Kim Pyong-il, North Korean ambassador to Bulgaria and half brother of Kim Chong-il—North Korea's actual ruler—has not appeared at official functions for five months.

SANKEI SHIMBUN said that although Kim Pyong-il is a leader from the military and has power and can exercise influence, there has been discord between him and Kim Chong-il for a long time. Thus, there is a possibility that something might have happened to him.

According to a relevant source, Kim Pyong-il returned temporarily to North Korea last February and was supposed to go to Sofia in March. However, he is reportedly still in North Korea.

Kim Tae-chung on Joint Ventures With North

SK2407132692 Seoul YONHAP in English 0916 GMT 24 Jul 92

[Text] Seoul, July 24 (YONHAP)—Kim Tae-chung, co-leader of the main opposition Democratic Party, said Friday [24 July] that priority in inter-Korean joint ventures must be given to smaller companies, which have high adaptability in light industry, the area of focus for industrial cooperation with North Korea.

"I am not opposing the entry of large businesses into North Korea, but small-and medium-sized companies should make greater inroads to block a monopoly by the large firms," he told a meeting on current status of small and medium industries at the Parliamentarians' Hall.

Referring to the visit by North Korean Deputy Premier Kim Tal-hyon, he said: "It is wrong in courtesy and policy to send him home empty-handed by putting forward difficult conditions such as nuclear inspection.

"If Kim, a moderate, returned empty-handed, only the hardliners will gain strength because he had silenced the hardliners to make the visit."

Major Firms List Investment Prospects in North

SK2507084692 Seoul YONHAP in English 0701 GMT 25 Jul 92

[Text] Seoul, July 25 (YONHAP)—Major business groups and some industrial companies in South Korea visited by North Korean Deputy Premier Kim Tal-hyon this week have expressed guarded optimism about the future of inter-Korean economic cooperation projects.

Officials at Hyundai Business Group said they were not yet sure if Kim's visit could serve as a decisive clue to resolving the issue of inter-Korean economic cooperation. If it were realized, the priority areas would be such light industries as textiles, shoes and electronics, they said.

Noting the group specializes in heavy industries, they said there were relatively limited areas for cooperation with North Korea. From a long-term prospective, the construction sector may offer chances of cooperation, they said, predicting the North will have to renovate its social overhead capital.

They said they were still interested in the four to five joint-venture projects such as the development of Mt. Kumgang and the creation of a repair shipyard in Wonsan that former Chairman, Chong Chu-yong, had agreed with the North some time ago.

Officials at Daewoo Business Group said they expected that Kim's visit will serve to spur the Nampo industrial complex project Daewoo had agreed with the North.

"We are fully prepared to send a feasibility survey team to the North and launch the project once the government gives a green light," a Daewoo spokesman said.

Joint ventures will be promising for color television, freezers, bags and stuffed toys, he said.

Lucky-Goldstar officials said the group hoped to take part in a couple of pilot projects if full-fledged joint-ventures were impossible at the present stage.

Group officials said the most feasible areas will be textiles, sewn goods and daily necessities.

"It will be a considerable period of time before we can advance in the area of electronics, including home appliances, because it requires the growth of parts industries as well as large capital investment," a group spokesman said.

Samsung group officials said there were good chances for cooperation as economies of the two sides were highly complementary and that Kim Tal-hyon's visit was significant because it took place at the private sector's initiative.

"At the moment, we can do some labor-intensive work in the North such as making garments, electronics components and footwear, which can be undertaken without much risk. We intend to advance to the North in earnest once the investment climate is secure and political issues are resolved," a group spokesman said.

Sunkyong group officials said there were no concrete talks on possible business exchanges between the group and the North Korean deputy premier when he visited Yukong, a Sunkyong subsidiary this week.

"Our group has had a small amount of commodity exchanges with the North so far. Once economic cooperation enters into full swing, fisheries and lumber will be highly lucrative. We plan to promote full-fledged exchange programs, depending on the government's policy," a group spokesman said.

"We were buoyed at learning that Kim Tal-hyon asked for a meeting with our chairman, Yi Tong-chan. A concrete offer was not made during Kim's visit, but we expect there will be some coming from the North when Deputy Prime Minister Choe Kak-kyu visits Pyongyang," a Kolon group spokesman said.

"We hope we are able to build a polyester plant in the North as Chairman Yi wishes," the spokesman said.

Hyundai Engineering and Heavy Industries Co. officials said the company could take part in the creation of a ship repair yard in Wonsan on which former chairman, Chong Chu-yong, had agreed with the North.

A Daewoo Motor Co. official said the company wished to realize the shipment of Le Mans cars to the North, which Pyongyang officials offered to purchase for use by their offices during Chairman Kim U-chung's visit to the North," the official said.

Goldstar Co. officials said the company could advance into the North in the area of electronics only in a far-reaching approach because it requires much capital investment.

"Cable is not on the list North Korea offered as possible areas of inter-Korean cooperation. Still, we expect to sell some to the North as cable is indispensable in social overhead capital expansion," a Goldstar Cable Co. official said.

Samsung Semiconductor Co. officials said the company could not cooperate with the North in the high-tech sector of the semiconductor area, but in assembly of semiconductors.

Samsung Electronics Co. officials said there was a good chance for business tieups with North Korea in the area of electronics, because of the short distance and the availability of a well trained work force.

Cheil Wool Textile Industrial Co. officials said the company could benefit much from North Korea's cheap work force in the sewn goods area.

"We have a weaving plant in India and a sewn goods factory in Thailand. But it would be more beneficial for us to have some in North Korea," a company spokesman said.

Hwasung Industrial Co. officials said the North Korean premier showed keen interest in shoe joint-ventures.

"We expect a joint-venture footwear plant to be created at the projected Nampo industrial complex," an official said.

Japan To Introduce Import Expansion Program

SK2707103792 Seoul YONHAP in English 0119 GMT 27 Jul 92

[Text] Seoul, July 27 (YONHAP)—South Korea's merchandise exports to Japan are expected to grow sharply when Tokyo introduces a 2 billion-U.S.-dollar program to expand imports.

Japan's International Trade Ministry will introduce a program in September that includes expansion of import promotion areas from three to five and 1-2 billion-dollar emergency imports, sources at the Korea Trade Promotion Corp. (KOTRA) said Monday [27 July].

The Japanese wanted to reduce their trade surplus of 49 billion dollars in the first half to ease friction with foreign countries such as Korea, the sources said.

Details of the program are unknown, but it is understood that they concern computers and medical instruments.

The ministry was negotiating with relevant government agencies to coordinate the amount of imports, the sources explained.

Korean exporters are busy gathering as many details on the program as possible and mapping out strategies to expand export volume.

This is the first time since 1987 Japan has prepared an emergency program to boost imports.

ROK-Japan Technology Fund To Be Set Up

SK2707143292 Seoul YONHAP in English 1142 GMT 27 Jul 92

[Text] Seoul, July 27 (YONHAP)—The government has decided to establish the proposed Korea-Japan industrial technology cooperation fund before September by initially contributing 3 billion won to the fund.

The two countries earlier agreed to set up the technology fund to accelerate Japan's technology transfer to Korea as a means of rectifying the heavy trade imbalance in Japan's favor.

An industrial technology cooperation committee meeting chaired by Vice Economic Planning Minister Han Kap-su decided Monday [27 July] to raise 10 billion won for the fund by 1994 and to foreclose as business losses the money which industries would contribute to the fund.

The committee also resolved to set in motion 12 ad hoc teams under its control to explore projects contributory to technical transfer by Japan to Korea.

In another measure the government decided to hold the first Korea-Japan working-level meeting in Seoul on July 31 to discuss the issue of intellectual properties which Japan wants to resolve early.

Nine Companies Unpaid for Exports to CIS

SK2707043692 Seoul YONHAP in English 0302 GMT 27 Jul 92

[Text] Seoul, July 27 (YONHAP)—Nine South Korean companies are owed nearly 10 million U.S. dollars for exports to the Commonwealth of Independent States (CIS), but are unlikely to get paid soon, a Trade and Industry Ministry source said Monday [27 July].

The ruble would not be made convertible for a considerable time due to the shortage of foreign exchange holdings, clouding prospects for Korean companies to get paid, the source said.

The delay in the settlement for imports from Korea by the CIS was placing a heavy financial burden on the exporters, who had to pay arrearage on export loans.

Hyundai was owed the most among the nine companies at 5 million dollars, followed by Samsung (2.2 million dollars) and Lucky-Goldstar (1.3 million dollars).

Russia's external economic bank took steps to freeze import payment in foreign currencies.

The government will urge the CIS to solve the problem through diplomatic channels, and will find ways to postpone repayment and exempt the companies from arrearage, the source said.

It will encourage the companies to find alternative means of getting paid for their exports, such as a repayment in kind, he said.

Export Items Subject To Import Restrictions

SK2507005492 Seoul THE KOREA TIMES in English 25 Jul 92 p 8

[Text] The number of export items subject to such foreign import restrictions measures as a quota system, anti-dumping tariffs and import ban totaled 67 as of the end of May, the Korea Foreign Trade Association (KFTA) said yesterday.

KFTA said 33 items were restricted by quotas, 32 were affected by anti-dumping tariffs or exporters had agreed to raise their prices following anti-dumping charges and two were banned.

Quotas were imposed on 15 export under bilateral accords, seven were applied unilaterally, and 10 were tariff quotas.

Though France didn't regulate imports of any single Korean product, a ceiling on total imports of Korea-made electric and electronic machinery had the effect of a quota, it said.

Twenty-seven items were subject to anti-dumping taxes, the prices of four were raised through consultation after anti-dumping suits were filed and one item was hit by countervailing duties, according to KFTA.

The European Community restricted the highest number of import (17), followed by the United States (13), Australia (12), Japan (9), Canada (8), France (4) and others (4).

In addition, 14 export products are under investigation for anti- dumping charges so the number of items subject to anti-dumping tariffs is sure to increase, KFTA said.

First-Half Balance of Trade Statistics Reported

SK2707042392 Seoul YONHAP in English 0105 GMT 27 Jul 92

[Text] Seoul, July 27 (YONHAP)—Exports increased 5.9 percent to 7.05 billion U.S. dollars in June but imports jumped 9.1 percent to 7.17 billion dollars for a deficit of 124 million dollars, the smallest this year, the Office of Customs Administration said Monday [27 July].

Exports in the first half totaled 36.71 billion dollars, up 8.4 percent over the same period last year on a customs clearance basis, and imports rose 3.7 percent to 41.66 billion dollars for a six-month trade deficit of 4.95 billion dollars, it said.

Shipments to the United States shrank 0.6 percent to 8.72 billion dollars and imports climbed 0.4 percent to 9.68 billion dollars recording a trade deficit of 889 million dollars, up 89 million dollars from a year before.

The exports to Japan fell 5.1 percent to 5.59 billion dollars and imports declined 6.6 percent to 9.75 billion dollars with Korea posting a 4.16 billion-dollar deficit, down 389 million dollars from the same period last year.

Korea recorded a 550 million-dollar deficit in trade with the European Community compared with a 92 million-dollar surplus in the first half of last year.

Korea's trade surplus with Hong Kong and Singapore grew to 3.24 billion dollars during the first six months from 2.6 billion dollars a year earlier.

Controversy Over Rediscount Rate Proposal

SK2607052192 Seoul THE KOREA TIMES in English 26 Jul 92 p 10

[By staff reporter Cho Chae-hyon]

[Text] A controversy has flared up over a proposal to lower the rediscount rate of the Bank of Korea [BOK].

Political and business sectors are raising voices to pull down the central bank's rediscount rate in order to give impetus to boost the sluggish economy.

The ruling Democratic Liberal Party [DLP] on Friday [24 July] requested the Ministry of Finance to cut the rediscount rate to help small-and medium-sized companies channel operating funds more easily.

Big business groups and smaller companies have been complaining that the BOK's tight monetary policy worsened the companies' fund shortage.

Representatives of the nation's top 30 business groups asked President No Tae-u to cut the rediscount rate in a luncheon on Tuesday. And No promised them he will consider the issue positively.

According to business leaders, the desirable way to cut banks' lending rate to companies, without causing money supply expansion, is to decrease the central bank's rediscount rate, at which the BOK loans to banks.

The ruling DLP is in a position to accept the business sector's request in light of the presidential election around the end of this year.

But the BOK shows strong opposition to the artificial way to cut interest rates.

Most central bankers stand firm against the rediscount rate cut, saying "even if the BOK cuts the rediscount rate, it will not affect the real interest rate of the money market."

According to the central bankers, the credit crunch comes basically from the excessive fund demands of companies so that a decrease of the rediscount rate does not necessarily ensure the easing of the credit shortage.

In addition, the decline of the rediscount rate will not result in a decrease of banks' lending rate to companies, because Korean money market rates are not determined by the market principle of supply and demand for funds, they said.

The function of the BOK's discount rate is, according to analysts, quite different from that of Western nations'. In rich nations, if the central banks lowers the discount rate, it influences the money market rate directly so that banks slash their lending rates to companies. But, in Korea, the money market does not embrace honestly the central banks's discount rate cut as it is "distorted," the result of the government's chronic intervention in the market.

The central banks's discount rate policy plays a key role in controlling interest rates, inflation and other major economic policies. For example, the German central banks last week boosted its discount rate to pull down the high inflation rate and to reduce the growth of money supply at the expense of economic growth. In contrast, the U.S. has continued to cut the Federal Reserve's discount rate to stir the sagging economy.

A senior BOK official said "it is more important to narrow the gap between nominal and real interest rates than to cut the rediscount rate, in terms of measures to ease companies' fund shortages."

According to him, enterprises will not get benefits from the rediscount cut, because banks tend to require companies to deposit some portion of loans in return for extending loans, ultimately not helpful for companies to reduce their interest expenses.

Meanwhile, some analysts contend that the nation's economy needs the interest rate cut, because companies' expansive interest costs are eroding the international competitive edge, which results in a huge deficit in international balance of payment.

Actually, the current seven percent of the BOK's discount rate is far higher than the two or three percent in Western countries'. The BOK says it is meaningless to compare the discount rate with other countries, without considering other money market factors.

The BOK says its tight money control is bearing fruit in stabilizing the economy and sticks to its theory that the Korean economy should cool down the overheated economy until the "bubble" further shrinks.

The Korea Development Institute also said in a recent report than the total money supply needs to be reduced to stabilize the economy.

A central bank executive said that the high interest rate means that the demand for money is too strong, so the key to cutting the interest rate lies not in slashing the rediscount rate artificially, but in pursuing a policy to reduce the excessive demand for funds.

What is the optimum way for the nation's economy? That is the question that puzzles the public. And the dispute between the ruling party, businesses and the financial authorities is expected to continue with political and economic reasons hidden under the fight.

Government, Business Discuss Industry Fund

SK2707151992 Seoul YONHAP in English 1043 GMT 27 Jul 92

[Text] Seoul, July 27 (YONHAP)—The government decided Monday [27 July] to lend 45 billion won of the Industrial Development Fund for product development next year, up from 26 billion won this year.

The Korea Association of Machinery Industry (KOAMI) will screen medium-and small-sized firms' applications to borrow 200,000 U.S. dollars or more from abroad. Currently, only applications for 300,000 dollars or more are subject to KOAMI screening.

The government will cut tariffs on imports of facilities goods by high-tech firms and parts for factory automation to 6 percent from an average 11 percent by amending the customs law.

The decisions were made in the 7th joint government-business meeting to discuss the difficulties in industrial activities.

Deputy Premier Choe Kak-kyu, Finance Minister Yi Yong-man, Trade and Industry Minister Han Pong-su and leaders of economic organizations attended.

The government will double the Korea Trade Promotion Corp. (KOTRA)'s participation in overseas machinery exhibitions to four annually from next year to support marketing in the sector.

Hwang Kyong-no, chairman of the Korean Iron and Steel Association, asked the government to ease regulations that require steel exporters to use Korean-flag vessels for exports to Japan until domestic shippers attain full transportation ability.

KOTRA recommended that the government help exports by strengthening tax and financial support for companies that export their own brands of merchandise.

KOTRA urged the government to exempt them from income taxes and give them favors in applying for loans to find overseas. [sentence as received]

KOTRA called for the government to give priority in allotting export quotas to firms using their own brands.

A KOTRA official said the corporation would encourage own-brand exports by setting up a support center and gathering more information.

Government Agency Reports on Jobs Scarcity

SK2707064192 Seoul YONHAP in English 0530 GMT 27 Jul 92

[Text] Seoul, July 27 (YONHAP)—Jobs are growing scarcer all across the nation, as small and medium-sized firms go bankrupt and labor-intensive industry remains in doldrums, officials at the National Central Employment Security Agency (NCESA) said Monday [27 July].

An average 80 percent of job-seekers visiting the 1,400 public and private employment agencies found jobs for the past three years, but in the first quarter of the year the rate fell to 72 percent. Of the 186,000 job applicants, 134,000 found jobs in the first three months of the year.

This compares with 78 percent in the same period last year, NCESA officials said.

The sluggish business of labor-intensive industries such as textiles, garments and footwear has narrowed the door to work, the officials said.

They forecast a bleak future for job-hunters as more and more manufacturers find the recession hard going and lay off staff rather than hiring workers.

Excluding private agencies, there were 84,900 job offers at NCESA and 45 regional offices as of June, 13.1 percent down from 97,700 in the same period last year. The number of job-seekers was up 17.9 percent to 40,700 from 34,500.

Civil Service Jobs Increase

SK2707103992 Seoul YONHAP in English 0048 GMT 27 Jul 92

[Text] Seoul, July 27 (YONHAP)—The number of civil servants has swelled by over 163,000 during the four-and-a-half years that President No Tae-u has been at the helm, according to a report Monday [27 July] by the Government Administration Ministry.

From January 1988 to June this year, the increase was 82,125 civil servants for the central government, 77,945 for local governments, and 3,263 for the legislature, judiciary, etc.

By year, 1989 saw the greatest rise with more than 43,500 joining the bureaucracy, 1990 came in next with 36,000, 1991 was third with 35,000, and 1988 fourth with 30,000. In the first six months of this year, the number grew by 13,000.

No's term expires in February 1993.

Growth has been slowing steadily when measured as a percentage, however, falling from 6 percent in 1989 to 4.7 percent in 1990, 4.4 percent in 1991, and 1.6 percent in the first half of this year.

The Education Ministry increased in size by 41,310 civil servants during the 54 months with teachers comprising much of the growth, National Police Headquarters added 24,310 officers and the Communications Ministry came in with 3,217.

New corrections officers drove up the number of Justice Ministry workers by 3,936, the National Railroad Administration grew by 2,512 workers and the National Tax Administration added 2,067.

The Environment Ministry accepted only 543 new civil servants, a low number in light of the recent international recognition of the severity of environmental problems, the report noted.

The expansion of the government payroll by 163,000 jobs under No compares to the addition of 15,000-plus civil servants during the seven years of his predecessor's rule.

"Korea's figure of 20 civil servants per 1,000 citizens is still small compared to Japan (35), Britain (63), France (67), and the United States (77)," an official in the Government Administration Ministry said.

Party Leaders Fail To Agree on Local Election

SK2507070392 Seoul YONHAP in English 0623 GMT 25 Jul 92

[Text] Seoul, July 25 (YONHAP)—The secretaries-general of the ruling Democratic Liberal Party [DLP] and main opposition Democratic Party [DP] failed to agree on the timing of local elections Saturday [25 July], casting doubt over the proposed meeting between the top leaders of the two parties.

Kim Yong-sam, executive chairman of the DLP, and Kim Tae-chung, co-leader of the DP, had been expected to meet early next week to help normalize the National Assembly, which has been idled in a dispute over the local election issue.

Secretaries-general Kim Yong-ku of the DLP and Han Kwang-ok of the DP, meeting at the National Assembly, could not narrow their differences over the local elections. After the meeting, the secretaries-general said they had decided to take the issue back to their respective parties for reconsideration and further discussion while continuing their informal contacts over the weekend.

They said they would meet again Monday.

At Saturday's talks, the DP was adamant about its demand for the ruling party to show flexibility and agree to hold elections of provincial governors and city mayors this year.

The ruling party, on the other hand, urged the opposition party to leave the local election issue to the National Assembly and hold a meeting of party leaders to normalize the assembly.

Separately, floor leaders Kim Yong-tae of the DLP and Yi Chol of the DP met at the National Assembly again Saturday under the auspices of speaker Pak Chun-kyu. But their talks on normalization of the assembly also proved fruitless, as they have in the past.

Their positions followed parallel lines, without showing any sign of narrowing the gap since the 14th National Assembly was inaugurated in late June, despite widespread criticism among the general public against what it believes is an irresponsible and uncompromising attitude by politicians.

As a result of the breakdown in Saturday's talks, the meeting of the two Kims is expected to be delayed beyond July 28, the last day of the current extraordinary session of the National Assembly.

DLP floor leader Kim Yong-tae told his opposition counterpart that the ruling party plans to go ahead and hold an extraordinary session of the assembly in August with the Unification National Party [UNP—officially renamed United People's Party], if the DP continues to refuse to attend the assembly until then.

That prospect, too, became uncertain Saturday when Chong Chu-yong, president of the UNP, showed his reluctance to get together with Kim Yong-sam next Monday as planned, sources said.

Chong said he had expected to meet with Kim Yong-sam only after the DLP leader held his talks with Kim Tae-chung.

"That should be the order of things," Chong said.

However, Chong was reported to have spurned his planned meeting with Kim Yong-sam to demonstrate his displeasure to the ruling party and the government over a heavy penalty demanded by the prosecution on his son, Chong Mong-hun, vice chairman of Hyundai Merchant Marine Co., who is on trial for tax evasion, among other charges.

Burma

Rebels Urge 'Good Faith' Measures by SLORC

BK2407133992 (Clandestine) Democratic Voice of Burma in Burmese 1430 GMT 23 Jul 92

[Statement from the Democratic Alliance of Burma; dated 22 June]

[Text] 1. The State Law and Order Restoration Council [SLORC] military group issued Declaration No. 1/90 and has refused to give power to the people's representatives elected in the 27 May 1990 elections.

2. Furthermore, it has committed outright human rights violations by arresting and torturing many people, including elected people's representatives, and has forcibly relocated innocent people from their original homes. It has also accelerated its participation in the civil war.

3. Then the SLORC military group, with intent to create disunity among the democratic forces and lessen international pressure, issued Declaration No. 11/92, which called for the convening of a National Convention.

4. In accordance with the SLORC military group's Notification No. 35/92, the National Convention is restricted to responsibility for only one matter—that is, the drawing up of a Constitution acceptable to SLORC. The coordination meeting on 23 June, held with representatives of the political parties in accordance with the same notification, is only an artificial meeting held in compliance with the military group's restrictions. Representatives of political parties have no rights to discuss freely and broadly.

5. The SLORC military group evolved from the Revolutionary Council, which was set up on 2 March 1962, and the one-party military dictatorship after that. It came into being after thousands of students, monks, and people were killed after the 8-8-88 democracy uprising. The entire populace, including our Democratic Alliance of Burma [DAB], will never accept in any form the national convention they plan to convene. The purpose of this National Convention is not to solve the political problems of Burma, but instead to cling to state power by military dictatorship.

6. SLORC needs to implement the following measures if it is truly dealing in good faith and serving the genuine national interest:

A. Unconditionally release all political prisoners, including Daw Aung San Suu Kyi.

B. Withdraw all oppressive laws and orders.

C. Officially announce a nationwide end to military offensives.

D. Transfer power to representatives chosen by the people in the elections.

E. Withdraw announcements declaring political parties and revolutionary organizations to be illegal associations and organizations opposing the state.

F. Furthermore, a national convention can only be convened by a genuine democratic government formed with elected representatives duly elected by the entire populace.

7. Our DAB hereby announces its view that any national convention not in compliance with the above-mentioned facts is considered absolutely illegal.

[Signed] Central Executive Committee, Democratic Alliance of Burma, DAB
Dated: 22 June 1992

Refugee Repatriation Discussed With Bangladesh

BK2707155992 Rangoon Radio Burma in Burmese 1330 GMT 27 Jul 92

[Text] In accordance with the agreement reached between the leaders of Burma and Bangladesh, the seventh coordination meeting of responsible officials for the systematic repatriation of those who fled Burma to Bangladesh was held at the Mayyu Guest House in Maungdaw Township, Arakan State, at 1300 on 23 July. U Maung Aung, director general of the Immigration and Manpower Department, led the Burma delegation, which included responsible personnel. Chittagong Divisional Commissioner Mr. Omar Farooq and Relief and Resettlement Commissioner Mr. K.H. Shahidul Islam represented the Bangladesh side. The meeting discussed in detail transportation and repatriation matters regarding those who fled to Bangladesh.

At the coordination meeting, U Maung Aung, director general of the Immigration and Manpower Department, and responsible personnel from the Burmese side reiterated that five repatriation centers have already been opened by Burma since 15 May 1992, and that food and other rations have been fully stored, with plans already made to provide speedy transportation from the centers to their respective homes. The Burmese side next stressed that compulsory basic education is provided to all and freedom of religion is practiced in Burma, saying there are many state employees who follow the Muslim faith. The Burmese side also explained that there are no particular restrictions for those who have returned to Burma and they will be given due privileges.

Burma and Bangladesh agreed to hold a meeting once a month at a time convenient to both parties. The coordination meeting came to a close at 1500. The Bangladeshi side next handed over the fourth list of 6,061 persons who fled Burma.

Cambodia

Chea Sim Opens Party Meeting 27 July

BK2707090392 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 27 Jul 92

[Text] At 0730 on 27 July at the office of the Cambodian People's Party [CPP] Central Committee, the 16th session of the CPP Central Committee was solemnly held under the chairmanship of His Excellency [H.E.] Chea Sim, chairman of the CPP Central Committee; H.E. Hun Sen, vice chairman of the CPP Central Committee; and their excellencies members of the party Central Committee's Standing Committee: namely Say Phutang, Bou Thang, Chea Soth, Sar Kheng, Say Chhum, Mat Ly, General Tie Banh, Men Sam-an, Nguon Nhel, Ney Pena, Sin Song, Sim Ka, General Pol Saroeun, and General Ke Kimyan.

The 16th session of the CPP Central Committee was attended by 57 Central Committee members. The meeting also invited Prince Norodom Chakkrapong, vice chairman of the Council of Ministers, to honor the meeting. H.E. Chairman Chea Sim made a speech to open the 16th session of the party Central Committee meeting. Here is the essence of the speech:

[Begin Chea Sim recording] Greetings to the presidium. Greetings to the prince, their excellencies, ladies and gentlemen. Today we are holding the 16th session of the Central Committee as a prelude to the national congress of the CPP after our Cambodian people nationwide, in cooperation with the forces of the UN Transitional Authority in Cambodia [UNTAC] and the international community, have made efforts to move forward the implementation of the Paris agreement and overcome difficulties created by the Khmer Rouge side in a spirit of optimism for the peace process in Cambodia.

Our meeting is a significant event marking a new step by the CPP to continue implementing the political program adopted by the extraordinary party congress in October 1991 for the cause of peace, national reconciliation, democracy, rehabiliation, and progress of the country. Reviewing the situation during the nine months following the Paris agreement, we are proud to observe that the all- round situation has undergone positive changes despite the fact that difficulties remain to be overcome and resolved.

Starting from the CPP's noble ideal, which has always been linked to the interest of the country, nation, and people, the CPP and the State of Cambodia's Government have followed and created conditions for His Royal Highness Prince Norodom Sihanouk's return to the motherland and have unswervingly supported the royal mission to reconcile the nation in his lofty role of father of the nation, head of state, Supreme National Council [SNC] chairman, and father of national reconciliation, and in his royal crusade, particularly the prince father's tireless efforts to promote the implementation of the Paris agreement. The great results coming from the search for aid to restore and rebuild the country have comforted his people, children, and grandchildren and given them confidence and a conviction about the country's bright future under the cool shade of the prince father.

The CPP and the Cambodian people will always follow the prince father to continue the policy of the Sangkum Reas Niyum [name of Sihanouk's former political party] for the cause of peace, national reconciliation, democracy, and rehabilitation and progress of the country and nation.

Along with this, under the leadership of the CPP, cadres, party members, workers, employees, and our people have overcome difficulties and achieved some great results in fulfilling their duties as a major party in the implementation of the Paris agreement. We have created favorable conditions and cooperated well with all concerned parties and UNTAC forces to correctly implement all the clauses of the agreement.

In the military sector, we have created favorable conditions for the deployment of UNTAC forces and carried out troop cantonment at specified locations and troop demobilization as planned in the second phase of the cease-fire while the Khmer Rouge side has refused to do so. Our side's patience toward military violations, instigation aimed at causing instability, and subversive activities by some parties, particularly the Khmer Rouge, has shown the goodwill and the core role of the State of Cambodia side in the Cambodian peace process.

The maneuvers attempting to destroy and delay the agreement's implementation by the Khmer Rouge and other parties, which have imposed conditions and made demands contrary to the agreement, have been exposed. Our administrative structures have been gradually altered to conform with the agreement. The amendment of the constitution, the promulgation of a number of new laws relating to the implementation of a democratic regime, respect for human rights, the establishment of five new ministries, the continued cooperation with UNTAC's administrative supervision of major sectors, and the establishment of UNTAC administration in provinces and cities, have contributed to providing favorable conditions for the implementation of the Paris agreement.

The implementation of a free market and economic policy and the implementation of the peace agreement, which ended the economic embargo, in combination with the government's own efforts and those of our people, has helped solve economic problems and averted major crises. This has generally resulted in economic and social changes. Various types of investment have increased. The policy to grant land ownership, the 5-10 year tax exemption for agricultural land, and the attention to creating conditions to encourage agricultural production have become major determining factors pushing the production of foodstuffs to serve social needs.

Successive repatriations of Cambodian refugees from camps along the Cambodian-Thai border have received asssistance from international organizations, state authority, and the people and enabled returnees to organize their lives in their own country. Education, culture, public health, and social affairs, along with our efforts, have received increased assistance from the international community.

In the political and diplomatic fields, Cambodia's relations with all countries have been expanded. More than

30 countries have established relations with the SNC. In particular, we have maintained good relations with the neighboring countries of Vietnam, Laos, and Thailand, which have contributed to the creation of an atmosphere of peace and stability in Southeast Asia.

Along with this, the diplomatic activities of our State of Cambodia side within the framework of the SNC and direct relations—particularly the visits by high-ranking party and state delegations to China, Korea, the United States, France, Japan, Malaysia, and Brunei—mark new steps in Cambodia's relations with these countries. This has greatly contributed to pushing forward the implementation of the Paris agreement.

The CPP would like to express profound thanks to all countries at the international conference in Tokyo for pledging to provide $880 million for Cambodia's rehabiliation and reconstruction. This is a generous act which the Cambodian people will never forget. The CPP would like to express profound gratitude for the moral and material assistance and support aimed at promoting the implementation of the agreement.

We highly appreciate the gesture—full of goodwill, truth, and justice—and high responsibility of H.E. Yasushi Akashi, special representative of the UN secretary general, UNTAC forces, the permanent members of the UN Security Council [UNSC], the cochairmen of the Paris conference, and their noble mission for peace in Cambodia.

The CPP would like to express support for the UNSC resolution dated 21 July 1992 and the statement by H.E. Yasushi Akashi, special representative of the UN secretary general dated 23 July 1992, and considers these as the best measures to push forward the implementation of the Paris agreement.

Once again, the State of Cambodia promises to cooperate with all parties and UNTAC to overcome all problems and push the implementation of the agreement toward its final goal. The CPP would like to praise our cadres, combatants, and people, who both in the past and the present have endured the common hardships of the country and have understood the immediate problems which the party and government are striving to solve.

Malicious propaganda and various subversive activities, particularly the recent instigation not to use a number of small denominations of the riel currency, are subversive economic activities which directly affect the people's life, particularly that of poor people. This is an attempt to create social instability and can lead to further problems for the implementation of the agreement, which is being hindered by the Khmer Rouge.

Therefore, the CPP appeals to all compatriots to join with the government to overcome this phenomenon and return the situation to normalcy. In the special circumstances of the current situation, only by consolidating unity around the CPP and following the royal mission of HRH Prince Norodom Sihanouk, father of the nation, head of state, SNC chairman, in the cause of peace, national reconciliation, rehabilitation, and progress, can we quickly build our country and make it prosper.

With this lofty sense of responsibility, the 16th session of the Central Committee, the prelude to the extraordinary national congress of the party, has the following tasks:

— To adopt the assessment of the Cambodian situation during the implementation of the Paris agreement and the future goals;

— To decide on a number of issues for the forthcoming's extraordinary national congress of the party.

This session will go on for one day as stated in the handout agenda. The Standing Committee and the Central Committee have invited Prince Chakkrapong, vice chairman of the Council of Ministers, to attend as an honor.

The session is now declared open. [applause] [end recording]

Khieu Samphan Reiterates Khmer Rouge Positions

BK2607023492 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 25 Jul 92

["Address by His Excellency Khieu Samphan, chairman of the Party of Democratic Kampuchea and member of the Supreme National Council, at the 23 July 1992 Session of the Supreme National Council at Khemarin Palace on managing and preserving natural resources"—read by announcer]

[Text] When the meeting discussed the management and preservation of natural resources, His Excellency [H.E.] Khieu Samphan, chairman of the Party of Democratic Kampuchea [PDK] and member of the Supreme National Council [SNC], specified the PDK's stance as follows:

I. In accordance with the basic essence of the Paris agreement, the SNC, the legitimate and the sole source of power in Cambodia, should be the one managing and administering natural resources. There should not be any other government, only the SNC and the UN Transitional Authority in Cambodia [UNTAC].

As the samdech head of state and SNC chairman has said, two organizations—the SNC and UNTAC—are the only sources of power. Therefore, there should not be the so-called State of Cambodia's Government which should not be recognized, officially or unofficially. Everything should be discussed and decided with the SNC and UNTAC, including political, military, financial, economic, and social affairs, down to protocols. As for the existing administrative strutures of the four Cambodian parties, they should be under the orders of UNTAC and the SNC. Therefore, measures, as put forward in our 12 July 1992 proposal, should be taken. In other words, there is no prime minister or ministers of the so-called Phnom Penh Government.

II. As everyone knows, Vietnam's invasion and aggression has greatly ruined Cambodia; this cannot be restored. Our country has been ruined and destroyed. The following should be remembered:

A. Vietnam has moved the land border and annexed Cambodian territory at many places. The maritime border between Cambodia and Vietnam has also been moved to annex a number of islands, sea, and continental shelf.

B. Nearly 2 million Vietnamese settlers have come over and expropriated rich land. Since 1979, this vast number of Vietnamese settlers has modified Cambodia's demography and greatly influenced economic, social, and cultural change. It is the Cambodian nation that is disintegrating because of a Vietnamization policy.

C. The regime Vietnam has put up since 1979 has collaborated in plundering Cambodian national resources. It has sold off national property without any consideration, including public property, to feed and consolidate its state authority, army, secret and open police, the A-3 force, the special police, and so on.

Cambodia's continental shelf has been parcelled and sold off. Cambodia's finance and economy have been used to serve the regime's own interest at the expense of the sweat and blood of the people who are living in the harshest conditions. The crumbling riel currency is being discarded by the people. The people are the hardest hit by the devaluation of the currency.

D. Cambodia's cultural resources have also been seriously damaged. Famous temples have been sacked by the Vietnamese and destroyed; art objects and other valuable objects have been plundered at will. Vietnam's goal is to destroy Cambodian culture, which Vietnam thinks is a great obstacle to its Vietnamization policy.

III. To preserve and protect Cambodia and its natural resources, we would like to propose the following measures:

1. The SNC should declare that as of today, all Cambodian parties should hand over the management and administration of all natural resources to the SNC.

2. The old banknotes should be abolished and new ones printed.

3. The SNC should manage all economic and financial matters during the transitional period.

4. In accordance with Article 1-D of the agreement concerning Cambodia's sovereignty, independence, territorial integrity, neutrality, and unity, the SNC should declare that treaties, conventions, agreements, and protocols signed by the Phnom Penh side and Vietnam are considered null and void.

Sihanouk Urges 'Necessary' National Reconstruction

BK2707105292 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 27 Jul 92

[Text] His Royal Highness [HRH] Prince Norodom Sihanouk, head of state and chairman of Cambodia's Supreme National Council, said on Sunday morning that Cambodia's reconstruction is necessary despite opposition by any one party.

He said he hopes that construction work will proceed in the three zones of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], the Khmer People's National Liberation Front of His Excellency Son Sann, and the State of Cambodia.

The prince said this when he presided over the stone-laying ceremony to build a reliquary at Vat Phnum Don Penh monastery with the participation of the FUNCINPEC side, Prince Norodom Sereivut and colleagues, foreign guests of honor, and many diplomats.

This stone-laying ceremony included the offering of food to 500 monks. The reliquary is sacred to and revered by Cambodian Buddhists. It is currently located in front of the Phnom Penh railway station. It will be relocated to Vat Phnum where it is quiet and where most of Cambodia's sacred relics are gathered.

UN Peacekeepers Unable To Stop Rising Banditry

BK2707075892 Hong Kong AFP in English 0729 GMT 27 Jul 92

[By Sheri Prasso]

[Text] Kampot, Cambodia, July 27 (AFP)—U.N. peacekeepers charged with ending the war in Cambodia are powerless to stop another form of violence—soldiers turned bandits who attack them and terrorize the population.

Pointing to increasing reports of robberies and murders by unruly men who used to fight and now pillage, U.N. officials acknowledged that the Phnom Penh government and other three factions have "less and less control" over their forces.

Soldiers from the FUNCINPEC [National United Front for a United, Democratic, Peaceful and Independent] faction loyal to Prince Norodom Sihanouk are reported to have carried out a search-and-destroy mission in the northwest provinces earlier this month. They were after a band of break-away rebels who were robbing and killing Cambodians, U.N. officials and diplomats said.

"We have problems. We have bandits, but so do all the factions," Lieutenant General Pann Thay of the Khmer People's National Liberation Front (KPNLF), another resistance faction, said in a recent interview.

"We don't have any assistance now, no money, no food," he said, referring to aid previously given by the U.S. Government. "So some soldiers have to do that."

Last week on the notorious bandit stretch of Route 3 from the capital to this southern provincial town, Phnom Penh government soldiers posted at a checkpoint fired four bullets at a U.N. vehicle carrying three police officers from Algeria, wounding two of them.

The government admitted that three drunk soldiers did the shooting and said they would pay 300,000 riel (214 dollars) to repair the damaged car, U.N. spokesman Eric Falt said.

Soldiers clad in various combinations of uniform and civilan clothes swagger out menacingly with their AK-47s to stop the cars on Route 3, demanding money and cigarettes.

Foreigners and U.N. personnel usually get off with a smile, but Cambodians are not so lucky. One truck driver said it costs him 50,000 riel (36 dollars) in bribes just to travel the route.

"They stop each car, every car, just to get money," said Inspector Khald Masood, the acting U.N. police commander in Kampot province.

Ostensibly, the soldiers are guarding Route 3 from Khmer Rouge guerrillas who cross it on the path between their Elephant Mountain hideouts on either side.

"We have to consider whether to allow them to stand on the road," Masood said. "If it's for people's protection, it's one thing, but if they are getting bribes from every car on the road we should stop this."

Kampot Province people's committee member Net Huon said soldiers even stop him on the highway to ask for cigarettes.

"There are dishonest soldiers who do that, but there are others who respect discipline," he said. "If they don't respect discipline they are removed from their posts."

Dim Saroeun, 23, who said he receives 5,800 riel (four dollars) a month for serving with the provincial military but wears no uniform, defended stopping an AFP car.

"We need money to buy cigarettes," he said, fingering his AK-47. "They don't pay me enough, so I have to ask the cars."

Villagers targetted by raiders who take their rice, money and cattle, take the law into their own hands when necessary.

Nop Ham, a 35-year-old cucumber and cabbage farmer in Kampot Province, shot dead one of the "barbarians" who burst into his hut last week and tried to rob and kill him.

"The government can't protect us," he said, recalling that the 10 men armed with AK-47s and hatchets were wearing parts of Phnom Penh army uniforms.

They had shot him twice—in the upper left arm and in the shoulder—stolen three gold bars and 50,000 riel (36 dollars), broken his mother's teeth and turned around at the doorway to finish them off when Nop Ham pulled out his own gun.

One bandit was killed, another was injured, U.N. police confirmed.

"I'm not sorry," he said from his surgery bed in Kampot hospital. "If I didn't kill them, they would kill me."

UN Civilian Police Ambushed in Kampot

BK2607083492 Phnom Penh SPK in English 0418 GMT 26 Jul 92

[Text] Phnom Penh SPK July 26—U.N. civilian police driving after dark in a U.N. vehicle were injured in an ambush on a notorious Cambodian highway, a U.N. spokesman was quoted by AFP as saying Friday.

Three Algerians were driving to the southern city of Kampot were shot at Thursday evening by about a dozen men, said U.N. Transitional Authority in Cambodia (UNTAC) spokesman Eric Falt.

"They immediately started shouting UNTAC," Falt said. "The assailants came closer to see who they were and then fled."

One was injured when a bullet grazed his ear, and another was shot in the thigh and evacuated to Phnom Penh. The third officer was not injured.

UNTAC Chief Yasushi Akashi said he "strongly deplores the incident especially in light of the recent U.N. Security Council resolution calling on all Cambodian factions to respect the safety of U.N. peacekeeping forces here.

Khmer Rouge guerrillas also cross the road at certain points, and Phnom Penh forces have blamed previous bandit attacks there on the Khmer Rouge.

The United Nations is investigating the attack, Falt said.

Phnom Penh Troops Possibly Behind Killings

BK2507153192 Hong Kong AFP in English 1507 GMT 25 Jul 92

[Excerpt] Kampot, Cambodia, July 25 (AFP)—The massacre of eight ethnic Vietnamese, including a week-old baby, in southeast Cambodia could have been committed by undisciplined Phnom Penh government forces, U.N. officials said here Saturday.

The initial investigation into the killing of the two families on Tuesday showed that a garrison of Phnom Penh government troops was situated less than one kilometer (1/2 mile) from Phum Tuk Meas village, where the murders occurred, but no one tried to quell the attack, U.N. investigators said.

"They heard, but their answer was that they went to investigate and found no raiders," said one U.N. official, who did not want to be identified. [passage omitted]

Defense Ministry Rejects Report

BK2707124492 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 27 Jul 92

["Rejection of the State of Cambodia's Defense Ministry"; date not given—read by announcer]

[Text] On 25 July 1992, AFP reported false news saying that Phnom Penh troops could be behind the killing of Vietnamese residents in Kampot Province.

This agency's exaggerated news also groundlessly reported that troops of the Phnom Penh army, who are undisciplined, could be the ones who massacred eight Vietnamese residents, including a one-week old child, last Tuesday in Kampot Province.

The State of Cambodia's Defense Ministry rejects this news which is devoid of truth and adds that AFP lacks reliable sources. The State of Cambodia's Defense Ministry would like to specify that troops of the State of Cambodia side are currently in cantonment to correctly implement the UN peace plan in Cambodia. Only the Khmer Rouge side is the source of brutal, genocidal, and racist acts—it is also a party which has refused to abide by the Paris peace agreement—and is the one which committed this brutal and savage act.

Neighbors Show Little Sympathy for Murdered Viets

BK2607104992 Hong Kong AFP in English 0741 GMT 26 Jul 92

[By Sheri Prasso]

[Text] Kampot, Cambodia, July 26 (AFP)—The ethnic Vietnamese victims of a massacre near here have received little sympathy in this racially tense country, where the Khmer people have traditionally hated their neighbors.

Tuesday night, about 30 motley-looking soldiers entered the village of Tuk Meas near the Vietnamese border and shouted "Death to the Vietnamese enemy!" before singling out and brutally murdering two families, according to UN peacekeeping force investigators.

Eight people, including a seven-day-old baby and four children, were killed.

Graphic pictures given to AFP by family members showed the brutality of the crimes: a seven-year-old girl with only hair and some bloody tissue where her head should have been; another girl in a drainage ditch, her chest pierced with bullet holes.

An investigation was continuing but the attack appeared to have been carried out by "uncontrollable elements" in the Phnom Penh Government army, said a UN official who did not want to be identified.

"This is normal," Nguyen Ngoc Ha, an ethnic Vietnamese mason who was born in this town, said of the attack. "It's true the Cambodians don't want us here ... One day they're going to kill me, too."

Ethnic Khmers interviewed in this southern provincial capital had no sympathy for the massacre victims and said Vietnamese have no business living in Cambodia.

"If I were the king, I would do everything possible to expel them," said Mao Sovann, a 26-year-old medical student who admitted that war-torn Cambodia needs skilled workers in order to rebuild.

"They do good work here, but their thoughts are no good. They steal everything, motorcycles and clothes, everything," he said.

Leng Thol, a 25-year-old ethnic Khmer who works as a mason with the Vietnamese, said he cannot get along with the migrants because they speak no Khmer and he speaks no Vietnamese.

"We are like ducks and chickens," he said. "It makes me angry."

The exact number of Vietnamese living in Cambodia is unknown, but according to Phnom Penh Government officials, about 250,000 Vietnamese—natives and immigrants—live here.

Many are prostitutes, but most are skilled workers who do masonry and electrical work, knowledge lost by the Khmer population under the fanatical 1975-79 rule of the Khmer Rouge, which systematically murdered the educated.

The Maoist group, which deported or executed all Vietnamese and Chinese minorities, claims Hanoi allowed two million migrants into Cambodia following its 1978 invasion to oust the Khmer Rouge.

At first the Vietnamese were looked on as saviors, but sentiment has turned in recent years back to the traditional hatred stemming from centuries of invasions by the overpopulated kingdom to the east. Even some well-educated Khmers turn irrational and openly racist when talking about the Vietnamese.

Mass killings of ethnic groups, such as Vietnamese or Chinese who migrate to fertile Cambodia, have been documented since the 1970s.

Entire fishing villages of ethnic Vietnamese were wiped out and the bodies sent floating down the Mekong River as a lesson to the Vietnamese Government under the Lon Nol regime from 1970 to 1975.

Even if the UN investigation clears the Phnom Penh forces of complicity, initial evidence shows that a garrison of Phnom Penh Government soldiers is situated less than 1,000 meters (3,300 feet) from the village and that none tried to quell the attack. "They heard, but their answer was that they went to investigate and found no raiders," said another UN official.

The attack lasted more than an hour and the noise of AK-47 and B- 40 rocket-propelled grenade fire, coupled with villagers' screams, should have provoked a reponse, the UN official said.

Three-year-old Do Van Thuan, who survived by hiding in a drainage ditch after the sister who was carrying him was gunned down, was recovering from two bullet wounds in Kampot hospital.

"He is very smart. He didn't dare cry or scream," said his teenaged brother, who was not at home the night of the massacre but came to the hospital to take care of his sibling.

He said he believed his family was singled out because relatives told him a house guest from Vietnam had gotten drunk and was singing Vietnamese songs very loudly. "They heard these Vietnamese songs and they came and shot," he said.

Violence in Cambodia was supposed to end following last year's peace treaty ending the civil war, he said bitterly. "There is a peace accord, but my four brothers and sisters are still dead."

Deserter Claims Over 26,000 SRV Troops Remain

BK2807013492 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 27 Jul 92

[From the "News Briefs" feature]

[Text] A Vietnamese aggressor soldier in the uniform of puppet troops has deserted Brigade 92 of the puppet troops to seek refuge among Vietnamese refugees at the Site 2 camp. This soldier has reported that the Vietnamese aggressor force in Cambodia is currently 26,000-strong. This excludes the over 2 million Vietnamese nationals living throughout Cambodia.

The soldier added that he previously headed a special unit in Division 330 of the Vietnamese aggressor troops stationed in Samlot [Battambang Province]. Until September 1991, however, he was ordered to wear the uniform of Cambodian troops in Division 93 of the puppet troops stationed in Sangke District, Battambang Province.

The soldier also disclosed that Vietnamese leaders in Hanoi have prepared another 2 million men from north, central, and south Vietnam to settle in Cambodia to achieve the Vietnamization policy. He also said Vietnamese aggressor troops donning the uniforms of puppet troops and in civilian clothes in Cambodia have been ordered to learn the Cambodian language and have Cambodian names.

As a matter of fact, the name of a Vietnamese officer, (Trung May), commander of the anti-riot puppet police, has been changed to (Mai). An officer of the Vietnamese aggressor troops, who has been accepted as deputy defense minister, has had his name changed to Khim Pon. A Vietnamese officer, adviser and interpreter of traitor Hun Sen, named (Ung Moev), has changed his name to (Duong Ratana), and so on.

This Vietnamese soldier added that there is no control or plan to control the withdrawal of all types of Vietnamese aggressor forces from Cambodia. He said there are plans to give Vietnamese nationals in Cambodia voting rights at the forthcoming election.

KPNLF Official 'Harassed' by Phnom Penh Police

BK2707080992 Hong Kong AFP in English 0757 GMT 27 Jul 92

[Text] Phnom Penh, July 27 (AFP)—A Supreme National Council (SNC) member, who represents a faction opposing the Phnom Penh government, was harassed and detained for six hours over the weekend by government police, a U.N. spokesman said Monday.

A government police patrol stopped a Khmer People's National Liberation Front (KPNLF) motorcade carrying the party's number two, Ieng Muli, and his bodyguards along Route 4 as they were returning from Sihanoukville, formerly Kompong Som, on Saturday morning.

The KPNLF is led by former Cambodian prime minister Son Sann.

U.N. peacekeeping chief Yasushi Akashi expressed his "regrets" and reminded the four Cambodian factions that international human rights standards guarantee freedom of movement, U.N. spokesman Eric Falt said.

The police placed the leader and the occupants of four cars under arrest, accusing them of committing a robbery in Kampot Province, Falt said.

The occupants of a fifth car were released, but Ieng Muli and the group were detained for hours at a police station, he said.

French peacekeepers and U.N. military observers in Sihanoukville tried unsuccessfully to secure their release. U.N. police arrived later and convinced the Phnom Penh forces to let the KPNLF people go.

Ieng Muli had filled out the necessary travel documents for leaving the capital, as is required for SNC members, Falt said.

"The incident seems to have been premeditated and well-planned," Falt quoted the head of U.N. police, Colonel Klass Roos, as saying.

Ieng Muli could not immediately be reached for comment.

Article Urges 'Full Right and Power' to SNC

BK2707033392 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 26 Jul 92

["Article": "The Key To Resolve the Impasse in the Implementation of the Paris Agreement Is To Pressure the Yuon Aggressors and Phnom Penh Puppets To Give the Full Right and Power to the Supreme National Council as the Sole Source of Authority During the Transitional Period"]

[Text] The goal of the Paris agreement is to make Vietnam withdraw all categories of its aggressor forces and restore Cambodia's independence, peace, and national unity for ensuring a neutral political atmosphere to enable the Cambodian people to exercise their right to self-determination through a free, democratic, and fair election.

To ensure the achievement of the above goal, it is defined in the Paris agreement and with the approval of the UN Security Council and UN General Assembly that there are two interim leadership organizations in Cambodia, namely the UN Transitional Authority in Cambodia and Cambodia's quadripartite Supreme National Council [SNC], which control and manage Cambodia's state affairs during the transitional period through the time the Cambodian people complete their voting to elect a national assembly to form a new national government.

However, up to the present, these two interim authorities have not enjoyed full rights and power through their cooperation to implement the Paris agreement. Particularly, the SNC—the unique source of power representing Cambodia's independence, sovereignty, and national unity—has played its role only as a shield. In reality, the Yuon [derogatory term for Vietnamese] aggressors and the puppets they installed in Phnom Penh are still controlling and managing Cambodia's state affairs. This is the obstacle blocking the implementation of the Paris agreement.

Public opinion in general has now agreed that the sole key to the successful implementation of the Paris agreement is to let the SNC play its role as the unique source of power representing Cambodia's independence, sovereignty, and national unity during the transitional period.

To settle this impasse, the party of Democratic Kampuchea [PDK] has time and again made proposals regarding this SNC role. The PDK's proposals have enjoyed national and international support.

Public opinion in general has agreed that the key point at present is to pressure the Yuon aggressors and Phnom Penh puppets to hand over full rights and power to the SNC so that it can play its role as the unique source of power during the transitional period. The Yuon-installed puppet regime should no longer exist in Phnom Penh.

Editorial Urges Resumption of Riel Circulation

BK2807050192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 26 Jul 92

[Undated PRACHEACHON editorial: "Refusing To Use 10-Riel, 20-Riel, and 50-Riel Banknotes, or Using Them at Reduced Value, Is Committing Suicide of One's Property"]

[Text] Over the past few weeks, the phenomenon of refusing to use 10-riel, 20-riel, 50-riel banknotes or using these notes but with their value reduced, or price increases—and now the refusal to use even the 500-riel banknote—at a number of places coincides with the demands of the Khmer Rouge to dissolve the State of Cambodia Government and to stop using the riel currency. This phenomenon not only creates great panic in market places but also destabilizes the nation's economy. The entire society is confused; anarchy reigns; there is no order. This produces the worst influence on the process to implement the Cambodian peace agreement, which our people most ardently await.

All of us clearly know that during its power from 1975 to 1978, the Khmer Rouge eliminated markets, currency, ownership, and even millions of Cambodian lives. Economic and social infrastructures and the achievements of the Cambodian people were completely destroyed. The whole of Cambodia became a new model country, Khmer Rouge style, with no markets and no currency. Mines were used to blow up the National Bank; this is a sign of rejecting money circulation in society and the country.

After this barbarous regime was toppled on 7 January 1979, the Cambodian People's Party and the State of Cambodia Government reestablished a society enabling the Cambodian people to organize and rebuild what they had lost. The riel currency was put into circulation by the state since 1980 as a means to settle transactions replacing barter. Since then, the circulation of the riel currency has become the rhythm of economic and social life. It has provided favorable conditions for production, inter-human relations, and daily life.

Although the value of the currency lacks some stability, the riel has become a legitimate property of every Cambodian citizen. The refusal to use banknotes is an act of sabotage in the economic sector, among others, that the Khmer Rouge have made efforts to secretly carry out over a long period of time. This is aimed at weakening and toppling the State of Cambodia so that the Khmer Rouge can return to power in Cambodia.

Recenty the Khmer Rouge openly demanded that the circulation of the riel currency, which is being circulated in markets, be stopped and the Cambodian society put under a Khmer Rouge-style administration, the way the Khmer Rouge did when they were in power. This shows that the Khmer Rouge are attempting to confiscate by force the people's legitimate wealth, as they did before. It is obvious that the Khmer Rouge cannot be pleased at the expense of the interest of the Cambodian people in general and that one cannot return to barter through the elimination of currency.

To this day, of all the banknotes put in circulation by the state since 1980, none has been declared by our state that they are no longer in use. There is no law requiring that all types of banknotes be used with reduced value. All banknotes are still worth their face value. The panic of our people refusing to use a number of banknotes is nothing else but a fact that we are unknowingly walking into the path traced by the Khmer Rouge.

The current complex situation requires that all of us use our heads to understand and clearly determine whether we are willing to commit suicide or whether we are willing to suffer hardship and survive. The unilateral refusal to use the riel banknotes obviously means the destruction of people's legitimate property by the people themselves—wealth which they have toiled to get.

All of us should clearly determine that at present and in the future no setup organization has the right to issue a new currency to replace the current one. If the post-election government prints new banknotes, the old banknotes should be exchanged for the new ones at their face value because one cannot completely destroy the old currency as the polpotists did when they were in power.

Thus, the fact that all of us resume the use of all banknotes at face value not only means that we unite to defeat the Khmer Rouge's sabotage maneuver and perpetrators. This also means that we can preserve our legitimate interest and prevent confusion and anarchy in society and the nation. And through this we contribute to creating a favorable atmosphere for the definitive and successful implementation of the Paris peace agreement.

Laos

Kaysone Meets Indonesian President's Envoy

BK2407133792 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 24 Jul 92

[Text] This morning, His Excellency Kaysone Phomvihan, president of the Lao People's Democratic Republic [LPDR], received at the Presidential Office in Vientiane His Excellency Suparjo Rustam, coordinating minister for public welfare and special envoy of President Suharto of the Republic of Indonesia, and his wife. His Excellency Suparjo Rustam handed over an invitation from President Suharto to His Excellency Kaysone Phomvihan to attend the 10th Nonaligned Meeting, which is scheduled to be held in Jakarta, capital of the Republic of Indonesia, in early September this year.

On this occasion, His Excellency Kaysone Phomvihan thanked and welcomed His Excellency Suparjo Rustam in visiting Laos to hand him the invitation. His Excellency Kaysone Phomvihan also conveyed his best regards and salutations to His Excellency President Suharto and his wife.

His Excellency Suparjo Rustam left Vientiane for home this afternoon after a two-day visit.

North Korean Friendship Delegation Arrives 23 Jul

BK2507021292 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 24 Jul 92

[Text] Yesterday afternoon, Yi Chol-pong, chairman of the Korea-Laos Friendship Association and minister of city management, arrived in Vientiane to begin a seven-day visit to the Lao People's Democratic Republic [LPDR] at the invitation of the Laos-Korea Friendship Association.

During its visit to Laos, the Korean delegation will call on some Lao leaders and important figures and attend a ceremony to open the Month of Solidarity with the Korean People in the Struggle against Imperialists. It will also visit many historical ruins and production establishments.

Leaders Receive Orders of Korean Friendship

BK2507021092 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 25 Jul 92

[Text] On the afternoon of 24 July at Lan Xang hotel, Vientiane capital, a ceremony was held to confer orders of friendship of the DPRK Government on the chairman and vice chairman of the Laos-Korea Friendship Association. Yi Chol-pong, DPRK minister of city management and chairman of the Korea-Laos Friendship Association, representing the party and government of the DPRK, addressed the ceremony conferring the First Class Friendship Order on Maisouk Saisompheng, member of the party Central Committee, chairman of the Laos-Korea Friendship Association, and chairman of the Lao Committee in Support of Korean Reunification; and the Second Class Friendship Order on Kham-ouane Boupha, minister of agriculture and forestry, vice chairman of the Laos-Korea Friendship Association, and vice chairman of the Lao Committee in Support of Korean Reunification.

After being conferred with the orders, in his acceptance speech Maisouk Saisompheng expressed his gratitude toward the Korean Government and people for attaching importance to the Lao people's work and contributions to strengthening Laos-Korea friendship and to supporting the Korean unification.

Solidarity With Korean People Month Ends

BK2807061192 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 28 Jul 92

[Text] Yesterday afternoon at the Vientiane Theater, the Laos-Korea Friendship Association [LKFA] and Laos' Committee in Support of Peaceful Reunification of Korea [CSPRK] in collaboration with the DPRK Embassy in Laos held a social gathering to mark the occasion concluding the celebration of the Month of Solidarity With the Korean People (25 June-27 July).

Participating in the function were Maisouk Saisompheng, chairman of the Lao Front for National Construction Central Committee, chairman of the LKFA, and chairman of Laos' CSPRK; Yi Chol-pong, minister of City Management, chairman of the Korea-Laos Friendship Association [KLFA], and head of the delegation of the KLFA; Kim Jung Nam, acting charge d'affaires of the DPRK to Laos; and a number of representatives of various organizations.

On this occasion, Kham-ouan Boupha, deputy Agriculture and Forestry minister, vice chairman of the LKFA, and vice chairman of the CSPRK, remarked that throughout the past 32 days of the Month of Solidarity with the Korean People, the Lao committee and the DPRK Embassy in Laos have jointly organized various kinds of activities reflecting the all-round victory of the Korean people in performing the tasks of national protection and construction, and struggle for reunification of the country. The activities also showed off the ability and wisdom of the Korean Workers Party under the leadership of the Korean people's great and most beloved leader Comrade Kim Il-song and under the supervision by Comrade [name indistict].

Furthermore, such activities also showed the solidarity, relationship, and comprehensive cooperation between the two parties, the Governments, and the peoples of Laos and Korea, as well as the further incessant improving and strengthening of their friendly relations which have existed for a long time.

On the afternoon of the same day, Oudom Khatthi-gna, member of the Lao People's Revolutionary Party [LPRP] Central Committee Political Bureau, secretary of the Vientiane Municipality Party Committee; and Somsavat Lengsavat, member of the LPRP Central Committee, minister attached to the Prime Minister's and director of the Office of the LPRP Central Committee, received the delegation of KLFA headed by Yi Chol-pong.

Philippines

Ramos Outlines Program in State of Nation Talk

HK2807062492 Quezon City Radyo ng Bayan in Tagalog 0900 GMT 27 Jul 92

["State of the Nation" address by President Fidel Ramos at opening of joint session of Congress in National Assembly Buidling, Quezon City—live, in English]

[Text] Mr. Senate President, Mr. Speaker, Vice President Joseph Estrada, Chief Justice Andres Narvasa, the distinguished members of the Senate and the House of Representatives, your excellencies of the diplomatic corps, fellow workers in government, honored guests, my beloved countrymen.

This afternoon, my traffic escorts saw to it that the delay [Ramos arrived one hour late], because of bad weather, floods in the streets, lasted exactly for one hour in order not to disrupt the schedule of the joint session of Congress.

Today, we begin our joint and complementary efforts to discharge the government's sworn duty to our people and our country.

Ordinarily, this occasion has for its timeframe the year just passed and the year unfolding.

But for us, this gathering has a more transcendent meaning. For it also begins our terms of office. And that cannot but enlarge our horizon as we survey the state of our nation.

I stand here to ask for the support of Congress and to offer my hand in a partnership of patriotism and progress between the executive and the legislative.

Our Constitution specifies separate powers and responsibilities for Congress and the Presidency as distinct and coequal branches of government. Yet our charter also reminds us we are not rivals for power but partners in serving the national interest.

Though there are tasks that only the Executive or the Legislature may carry out, we are both trustees of a common heritage, a common interest, and a common purpose.

We stand on the threshold of destiny. The end of my term will coincide with the centennial of our declaration of independence. Six years hence, the government this nation has endured will pass in review and receive the judgment of history. They will be asked what they did with the country's independence. My administration will be the last before the centennial. That is my luck, for it will naturally receive the closest scrutiny.

It is not the spirit of independence that will demand a reckoning. In the next six years, the nation will commemorate other great centennials; The Cry of Pugadlawin, the Battle of Pinaglabanan, the execution of Rizal [national hero]; and 100 years of sacrifice and struggle. The ghosts of a generation of founding heroes shall step from their monuments to demand an accounting of the legacy they left behind.

In this spirit, I come here today to report to you on the state of the nation and to tell you of the course I propose we follow in meeting our shared responsibility.

Twenty days ago, I entered into the presidency. Since then, my principal object has been to know all that one can possibly know—in that brief time—of the problems facing the nation, the opportunities open to us, and the support we can count on from our people and from our friends in the world.

I shall not pretend that my administration now knows all the answers nor that we now have all the requisites to meet every problem and every contingency.

But this much is clear to me. Though our problems are grave, we are much better placed to address them than our predecessors were, a year or so ago.

Though obstacles may shadow our labor, we have the crucial requisites for surmounting them. And that is the combined resolve of our people and their elected representatives to join together and face our problems on all dangers.

Highlights of the year:

I see our tasks not in terms of any specific problem but in the light of purposes of union enshrined in the preamble to our Constitution. To build a just and humane society and establish a government that shall embody our ideals and aspirations, promote the common good, conserve and develop our patrimony, and secure to ourselves and our posterity the blessings of independence and democracy under the rule of law and a regime of truth, justice, freedom, love, equality and peace.

Some of these hopes have attained a measure of fulfillment under the past administration and the last congress.

Certainly, we are today a nation confirmed in our constitutional democracy, strengthened by the trials we have weathered.

Considerable stability has been attained in the economy as efforts of stabilization, restructuring, and reforms over the last six years have borne fruit. But our people still live under the weight of many problems. The indicators of national life tell us just how heavy is this burden.

The top 20 percent of Filipino families receive 50 percent of our country's total household income, the lowest 20 percent receive only five percent. At least 5.8 million families, over a half of all our households, do not earn enough to meet their basic needs. In 1991, some 2.3 million of our workers were jobless and 7.6 million of those who had jobs were working less than 40 hours a week. Meanwhile, 860,000 young people joined the labor force every year. The severity of economic life translates into grave problems in politics and social life.

Today we are one of the few countries burdened with a combined weight of communists, insurgency, and other rebellion.

Crimes make our streets unsafe and threatens our citizens in their homes.

Social services have lagged badly behind the rise of population and the mass migration to our cities of poor rural people. Neighborhoods are deteriorating and too many families are without adequate housing. Our education and health services are under unbearable strain.

And every day that we delay meeting this problem, they grow more intractable.

The test is whether we can act with this fast to answer this challenge, not tommorrow but today.

Peace and security are the first urgent problems. For as long as instability and uncertainty characterize our common life, we shall not make any headway.

This is why, in my inaugural address, I immediately raised the issue of amnesty to enable all rebels to reenter civil society as law abiding citizens.

Our goal must be to attain a just, comprehensive, peaceful and lasting resolution of the internal armed conflict that has cost the nation and our people so dearly.

This effort must go hand in hand with the thrust of my government to institute basic reform to root out the causes of rebellion.

After lengthy consultation within the Government and the private sector, I am now prepared to take the following steps.

First, I am submitting to Congress today an amnesty proclamation that will cover some figures 4,500 former rebels, 2,100 former members of the CPP-NPA [Communist Party of the Philippines-New People's Army] and 2,400 former members of the MNLF [Moro National Liberation Front] who have already applied for amnesty under Executive Order No. 350, promulgated on March 13, 1989; as well as those who may still wish to apply for amnesty under this executive order. I ask for immediate congressional concurrence.

This grant of amnesty is the initial step in a comprehensive peace and unification process that shall address the problem of bringing back all the rebels to the fold of the law.

I therefore invite both chambers of Congress to join the executive in constituting a national unification commission that will include representatives of the private sector. This commission will undertake extensive consultations with concerned sectors of society including rebel groups in order to formulate a viable amnesty program and the process that will lead to a just, comprehensive, and lasting peace. [applause]

And before I proceed any further, let me sign in your presence my letter of transmittal of Proclamation No. 10 to the Honorable Senate President and to the Honorable Speaker of the House as follows: I transmit, herewith, Proclamation No. 10 entitled: Granting amnesty in favor of persons who have filed or will file application for amnesty under Executive Order No. 350, series of 1989, for your concurrence pursuant to Section 19, Article 7 of the Constitution. Mr. Senate President. [applause]

The committee must submit its findings and recommendations within 90 days. I have also directed the secretaries of justice, defense and interior and local government to review cases of so-called rebels under detention or serving sentence and to recommend as soon as possible who can be released through administrative action, granted executive clemency, or recommended for release under bail, with the end in view of further creating a favorable climate for national unity. [applause]

Finally, I ask Congress to repeal Republic Act 1700, so that the Communist Party of the Philippines or similar organizations will no longer be outlawed but allowed to freely compete, openly and peacefully in the political, economic, and social arena, instead of their following the path of their armed struggle. [applause]

Peace is a process and we must all join hands to bind and heal the conflict that has so long divided and held us back. [words indistinct] men, women and children fear for their safety in the streets [words indistinct] characterized [words indistinct] of our society.

First, I ask Congress to restore the death penalty to cover heinous crime. [applause] [passage indistinct]

Third, let us improve our institutional and professional capability in crime prevention and crime suppression at both national and local levels. These measures should include a stricter firearms control law and more effective action by our peace and order council.

In the economy, [words indistinct] and restructuring. [words indistinct] The culmination of a national mid-term development plan for the six years from 1993 to 1998.

In the framing of this plan, I invite the participation of Congress and this can be facilitated by the speedy creation of a legislative-executive development council which I recommend to you.

I shall soon submit to Congress the proposed national budget for fiscal year 1993. Through the budget, we shall pump-prime the economy, stimulate growth by focusing public investment on programs with the highest productive and economic returns, and provide social services and productivity programs that will empower the majority among us who are now without the means to live decent and useful lives, particularly the farming, fishing, and labor sectors.

Infrastructure building we must push aggressively. This will not only create jobs in the countryside, it will also give investors proof of our resolve to provide growth—a solid foundation for sustainable development. Our priorities are communications, arterial highways, local and national growth, major bridges, urban highways, and major water conservation and flood control projects.

For efficiency and continuity, all these should be provided multi-year funding. We shall also tap private resources under the build-operate-and-transfer and similar schemes.

To liberalize the private sector's entry into the transport industry, it will be necessary to amend the 50 year old public service law.

To finance this infrastructure program, we shall be unrelenting in collecting what is due the government in taxes, duties and other revenues. This can be attained primarily by cracking down on tax evaders. Tax evasion can be deterred if we show that tax evaders, whoever they may be, will not go undetected and unpunished. [applause]

But let me also tell you now that we cannot make do with our present revenue base. Development has a price that must be paid. We shall submit to you a set of revenue proposals that will enable us to pay this price equitably. And that in management, we are adopting a growth-oriented strategy to contain our obligatory burden of debt servicing. I assure you, we shall also be much more assertive in negotiating with our creditors to gain better terms.

Some members of Congress have expressed anxiety about my decision to sign the new restructuring agreement that the past administration had reached with private creditors, but let me tell you that to forego this agreement would have meant stalling our forward movement and going back to square one without any assurance that we can renegotiate, let alone get better terms.

To maintain economic stability, we need continued fiscal and monetary discipline. We intend to keep the budget deficit within manageable and allowable levels by adhering to this austere monetary program. We should be able to keep down inflation to a single digit throughout the rest of the year and beyond. Alongside the monetary program, we need to improve the fiscal position of the Central Bank. These measures will set the stage for strengthening the financial system and bring down the regime of high interest rates. We should then be able to mobilize development financing for both agriculture and industry, not just through government financial institutions but primarily through the private banking system of business that ought to be. [sentence as heard]

In energy, we have moved with speed to moderate the crisis. But a new department of energy is still imperative to make sure our experience of brown outs during the past several months is never repeated and our long-term energy needs are met.

This new department will plan, implement, coordinate and supervise all policies and programs on energy. [applause]

The law we propose will also establish an energy development fund to the cost of the Oil Price Stabilization Fund.

In trade, we expect a rise in export demand as our major markets return to growth. You can count on the executive, with all we can, to make our industries competitive worldwide. This means gradually abolishing all remaining quantitative restrictions on trade, liberalizing the foreign exchange market, and adopting a more realistic foreign exchange rate.

In support of the Foreign Investment Act, I ask Congress to amend the Condominium Law and liberalize nationality requirements in the Omnibus Investment Code. The objective is to make foreign companies secure in the possession of their plant sites in industrial estates.

We shall also review the present system of incentives to make it more attractive and encourage the flow of investments into the economy.

All our policies for growth will have a deep concern for protecting our environment. Our natural surroundings must be the beneficiary of modernization, not its victim.

I urge this Congress to take up anew the ban on logging which should, however, consider the possibility of identifying the areas where logging can be permitted under the concept of sustainable development.

I am also submitting for your urgent action an environment protection code and a new forestry code, and institutionalizing the control by local communities of forests within their territories.

These measures will in time move the economy back to growth. But let us not imagine that growth by itself will suffice to bring the poor majority of our countrymen and communities into the mainstream of development. If we have to substantially reduce poverty in the Philippines, economic policy in the large must become sensitive to the well being of the majority among us without the means to enjoy decent and useful lives.

Within the week, I will file an executive order creating a president's commission to fight poverty. It shall gather under one umbrella all government activities designed to help our poor households and communities so that they can catch up with the more progressive ones.

We shall undertake three main types of interventionist policies. The first is to ensure the delivery of basic social services to the poorest communities and to make sure that every poor family has a decent minimum of health, nutrition, housing, and education.

The second is to see to it that the poor gain access to agrarian reform, skills training, and extension services that will open up livelihood opportunities and jobs to them.

And the third is to help poor communities organize cooperatively, to empower them to play a greater role in their own development, [applause] and to make their voices heard in the making of public policy.

We must, in some, depart from the trickle-down policies of the past which had only left our poor farmer and our other poor communities behind and move into a policy of positive discrimination to lift them up and equip them with the humanities of life.

Government will set itself not just theoretical but measurable standards for gauging its success in easing poverty year after year.

To act in this way for our poor is to assert the timeless principle that if we are to develop, we must invest in people. For our nation can rise only to be a model of our people's confidence.

The most profitable human investment is in basic education. I urge Congress to pass a bill on elementary education for the purpose of ensuring universal and higher quality elementary education to the end that every Filipino child has access to a quality public elementary school. [applause]

It will also ensure exposure of our young to technical and scientific knowledge. There are still thousands of barangays today that do not have elementary schools. In addition, we must upgrade the quality of instructions, textbooks, and school facilities. In some, we must give the highest priority to elementary education in our spending program. To stretch this is not to ignore the requirements of public secondary and higher education. These also merit our attention.

But we must recognize that to bring our educational system into the mainstream of national renewal, we must begin at the beginning by making sure that every Filipino child has an elementary school within easy reach and that our young people are exposed to technical and scientific learning. [applause]

We have to learn to talk of growth not in terms of statistics but in terms of people. In the child we save from hunger and raise to knowledge as the citizen, we raise to a life of dignity and well being. In the woman, we raise to her true place in our society. In the community that we transform from distress to net contributor to national vitality, and in national culture that truly reflects and appreciates the native talent and the resourcefulness of the Filipino.

It has become a cliche, but it is nonetheless true—real development has a human face. [applause] We have missed perhaps this human dimension in our neighbors because government has become too big and has spread itself too thin.

Over the last 28 days, one thing has become plain to me. For us to get anywhere, we need to remodel the very machinery of government. We have to reorganize the civil service so that it can do more and do better. We must nationalize the public corporate sector by privatizing those of its operations which are better undertaken by private enterprise. And we must devolve and decentralize more of national administration so that government really and truly reaches out to our citizenry wherever they may live in our vast archipelago.

This effort can be propelled only by definitive support from Congress. Since the reorganization will affect most of the cabinet departments, it does not make sense for us to reorganize piecemeal.

I would urge Congress, therefore, to consider one comprehensive government reorganization pact that will enable us to streamline the entire executive branch including the Office of the President. [applause]

Our goal here is to promote speed in decision-making and action which yields quality results and to increase effectiveness and impact in government operations despite funding constraints. We envision the following as integral parts of this reorganization program.

First, the implementation of the law on attrition. Second, the realignment of agency mandates by abolishing nonessential functions, including vacant positions. Third, integration of all attaches and offices abroad. And fourth, reduction of the number of departments and agencies. [applause]

Some have mistakenly thought that this is a request for blanket authority for the president in reorganization. What we seek is a law that will fully enable us to reorganize the executive branch.

Others feared that reorganization will result in massive lay offs; this is not envisioned at all. The only ones who have to fear displacement are the 15-30 [as heard] employees and all those who do not possess civil service eligibilities.

Reorganization and professionalization of the civil service will greatly strengthen our hand in checking graft. But we shall not rely on these reforms, nor on the independent works of the ombudsman and the Sandiganbayan [graft court].

As I proposed in my inaugural address, we must take action against both the bribe-taker and bribe-giver. [applause] Surely, we must be more aggressive against those who pay grease money to facilitate transactions with government and we will provide the Ombudsman all the assistance in carrying out a successful campaign against graft and corruption. [applause]

In aid of this campaign, I urge Congress to pass a bill which addresses economic crimes and heavily penalizes graft and corruption. The bill could be patterned after the well-known (Rico-Statute) in the United States. The overriding principle we must establish in government is that only by joint action at the national and local levels can we ever hope to achieve our goals and aspirations.

While many of our problems are national in scope, they shape the neighborhoods and local communities; hence, the solutions must be in the end tailored to local needs.

While our problems require a broad national strategy and the political will to attack them, our response must be enriched by local perspectives and private sector participation. No program, no matter how generously funded, can hope to uproot problems if it is based or developed solely in Manila. It must be founded on the life and experience of our local communities and enhanced by private sector involvement.

This is why we must move with dispatch. This is why I have established extension offices of the presidency in the Visayas and Mindanao. We must translate into reality the principles embodied in the landmark Local Government Code of 1991.

Precisely because decentralization departs drastically from tradition, we must nurture the process of change to ensure our local governments are empowered to cope, not just by law, but by our aid and intervention in Congress and the executive.

Finally, I want to endorse in the strongest terms the passage of an act strengthening the Metro Manila Authority.

To live in Metro Manila today is literally a punishment, which sees the garbage, smog, traffic congestion, floods, and substandard public services. The atomized jurisdiction in the metropolis cannot deal with problems that are collective in nature. The only answer is a metropolitan administration that will deliver basic services respectively to all of Metro Manila. And it should be an administration headed by an appointed Metro Manila governor. No one should fear by such title the emergence of a new political personality who will dwarf elected Metro officials. His will be strictly a service-oriented office, nonelective, and fully subject to recall by the test of effectiveness.

In foreign relations, we must chart our course in the world and an Asia-Pacific region much changed by recent events. The end of the cold war may have eased the danger of a nuclear confrontation But ironically, the loosening of big power tensions makes more likely the breaking out of quarrels within the region, which the superpowers once restrained for fear of getting involved in them.

Fortunately, there are few such quarrels threatening our part of the world. For the moment, securing continued access to world markets and technology has become the most vital concern of ourselves and our regional partners. We have started reorienting our diplomatic service to focus it on foreign trade and investment, in a word, to make it a tool of our efforts for an export-oriented development. To the extent consistent with our constitutional responsibilities, let us together frame our foreign policies in a spirit of bipartisanship and let it be truly national in character.

Our external defense. We have implicitly entrusted to the Americans under a military assistance and a military bases agreement with the United States. This has enabled us to get away with the smallest defense investment in ASEAN. Those agreements have already lapsed.

Now, we must take up the responsibility for our own defense. Most urgently, the capabilities of both our Navy and our Air Force must make a quantum leap, and we shall have to accelerate our entire self-reliance program for the Armed Forces. Fortunately, this program will have beneficial side-effects that are more than just military—in the transfer of technology, in job generation, and even in the potential export of defense products.

I believe with all my heart that our people and our country can be sure, now more than ever, of the loyalty, dedication, and efficiency of their Armed Forces and their National Police. Let us give our soldiers and policemen the support they deserve. [applause]

Ladies and gentlemen of Congress, it is time to view our nation abreast. To see the way our revolutionary heroes must have seen it at its birth, as a nation in which the common good is attainable.

For too many years, we have defined our national life in ways contrary to our unity and progress. We have defined our politics in terms of conflict and competition. It is time we define it in terms of cooperation and union.

We have defined economic efforts in terms of profit and self- interest. It is time we define it in terms of sharing and caring. [applause]

We have defined our culture in terms of jealous provincialism. It is time we define it in terms of pride and linkage, taking what we can from the best of others and giving what we can of our best to them. [applause]

We, the Congress and the executive, can provide the example and the leadership for such cooperation, sharing, and linkage. You and I can act separately and achieve very, very little. Or you and I can act together and achieve much, much more. The time is yours and our responsibility is clear, in our hands, ladies and gentlemen of Congress. [passage indistinct] we have it in our power to achieve these goals. We also have it in our power to lose this chance and condemn our country to continued decline and failure. I know, we shall not fail.

I know that we shall do all we can, [word indistinct] and together to make our stewardship of government a good one for our people and our country.

The need is here. The need is now. Let us not allow our troubles to disperse our men and women all over the world to be the house maids and janitors of more fortunate people. Let our problems rather bind us together in one concerted action to banish the sorrows of the past, confront the difficulties of the present, and redeem the promise of the future. [applause]

And in the end, our collaboration shall have produced the prosperity and well-being of our people and our country. Then might we say, we have lived up to the sacred oath with which we entered this office and our people would say to us: Well done. Thank you. Good day. Thank you very much to all of you! [applause]

Ramos Conducts News Conference

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[News conference by Philippine President Fidel V. Ramos at Malacanang Palace with unidentified members of the Malacanang Press Corps—live; in English; italicized passages in Tagalog]

[Text] [Ramos] I am glad to be here with you. This would be one of our first activities together, with you the Malacanang press corps. There would be a lot of activities of mine whicy you have to cover. On August 8, I plan to visit some areas in Zambales and Subic. That will be to review the plan to set up the Subic Bay development area and also to visit some of the calamity areas in Zambales which will be along the way. I feel that there could have been a better time to have this get together, which is our first meal here in Malacanang together.

Well, today is the date that I'm supposed to give the state-of-the-nation address. I know you have many questions. The excitement is still in the two chambers of Congress, and Senate who has got elected as president, Neptali Gonzales. And I welcome that development because Senator Gonzales and I have been quite close when I was still in the Struggle of Filipino Democrats [Party; LDP]. In fact, he was one of my first advisers when I was exploring my chances as an LDP standard bearer for the presidency. November 6, 1990, I remember the date, is when I sought out this advice. This was when the autonomous region of Muslim Mindanao was inaugurated by President Cory Aquino. Some of you went there and attended that ceremony in Cotabato City. There was a little trouble in front of the grandstand when the President was about to make her speech and I still went down to contain that problem so that the president could go on with her speech.

On the way back home, I requested Senator Neptali Gonzales to join my sister and I at a dinner in our house so that we could talk about this idea that I got in my head. He was very positive about it. He really dreamed that after the passage of some time, if I would be here as the president and he would be there in the Senate as the Senate president. So, I'm very comfortable with him and on many occasions since the proclamation of the winner in the contest of May 11, we have had several meetings. Hence, I look forward to a very collaborative relationship with him and the Senate.

I've just been handed a note here. This says that Congressman Jose de Venecia was voted as speaker of the house, 151 votes for De Venecia, and Peping [Congressman Jose 'Peping' Cojuangco], 42 votes.

And so, on the part of the House, we are also looking for a very fruitful relationship. Maybe it will be less difficult in the House but I am very optimistic for both chambers, seeing what you are proposing as our legislative agenda and knowing what our main thrust in this government will be, which is, to enhance our national stability, recover economically as fast as we can, and then, in the process, really empower our people especially with the economic and social aspects.

There will be a consensus by the legislative, executive as well as the national and the local levels of government, plus the private sector. What we are talking about here, now, is what is good for the people, what must be done in this next six years since we have so little time left.

And so, let me once more reiterate what [Press Secretary] Rod Reyes has said. We welcome you here. This is really not only your place of work. Since six years is a very long time, in addition to what we foresee in our relations with Congress and the rest of the government, which is cooperation and mutual support, we also see the same between the president and the Malacanang press corps. Thank you very much. [applause]

[Reporter] Sir, since you opened up about Subic, may we know, sir, if the Philippine Government will initiate or take the initiative to propose to the U.S. the access arrangement.

[Ramos] The offer of access was opened up by the U.S. authorities when the Philippine-U.S. Special Defense Corps had its anniversary the third week of May. The commander in chief, Pacific, the senior U.S. military commander on this side of the globe, mentioned the need of U.S. access to their former bases here in the Philippines. When Secretary Baker visited me the other day, I reminded him that this desire on their part must be formalized by them, by the Americans, in a written request or a request of an official, so that the Philippines side could study it. This is not basing. This is merely access to certain areas during exercises as well as commercial type service of their ships. This is my understanding of that request. But in any case, I have already ordered the review of the entire range of Philippine-U.S. relations, and you are familiar with that directive. It would be Secretary Roberto Romulo, by the way, who will carry on the job previously assigned to former Secretary Raul Manglapus, since Secretary Romulo is now the secretary of foreign affairs. Their deadline is August 8 but the agreed channel for the joint review of our Mutual Defense Treaty as well as any request in connection with access will be taken up in the Mutual Defense Board.

[Reporter] But Mr. Baker told us last Saturday that initiative must come from the Philippine side, that recommendations must come from the Philippine side.

[Ramos] No. When the proposed base treaty was rejected by the Philippine Senate, that ended that relationship under the Military Bases Agreement. Now, the desire for U.S. forces to be able to visit the Philippines and the servicing of their ships and of their aircraft is justifiable but, without going into many semantics, there is no way that the Philippines would initiate any access to our Philippine bases now, which are indeed in the process of conversion to civilian use. So, that's our facts.

[Reporter] How much of the bases are you going to have the Americans access to, like, they have interest in Cubi. Are we going to give it them on an exclusive basis or...?

[Ramos, interrupting] No, we are not into that yet. I am still awaiting the study which encompasses the entire gamut of Philippine economy—trade, investment, of course, security and defense, cultural, etcetera—with the U.S. There is no determination at this point in time as to grant them access since we do not know what they want, whereas what they want can be put in their proposal.

[Reporter] Sir, you're telling us that you want the Americans to tell you what they want. Yes, Baker was very clear in saying it would depend on what the Philippines will offer to us. What is this, sir...?

[Ramos, interrupting] No, no, we are not offering anything. That's why the two sides must sit down together. But before we can put this before the Philippine-U.S. Mutual Defense Board we have to know what they want. We are not offering it to them. It is they that first expressed the desire to have access. So we're asking them now: what do you mean by access?

[Reporter] Sir, what if they, I mean, I don't know if they shared it with you but I take it to mean that the way Baker sounds, *it is like the Americans still feel bad about being asked to leave.*

[Ramos] *Well, if they feel bad, we feel worse.* [laughter] But I think that is neither here nor there. You must examine this in the context of their strategic and global commitments. *Isn't it that* Baker said they will continue to maintain a presence here in the Asia and the Pacific and that they will provide whatever is needed to keep the region stable? *So it is they who have the need, not us. But if we reach a good agreement* which will result in the mutual benefit of the two countries, well, let's study that.

[Reporter] Would you consider two light questions? Sir, number one: Let us say that you are the commander in chief of an expeditionary force that is about to land on a foreign shore. In the interest of assuring safe passage to your goals of landing, would you have engaged first in a mine-sweeping operation, [word indistinct] are likely to obstruct the passsage the measures needed to implement your program.

[Ramos] To answer your convoluted question [laughter], I have a very simple answer: just wait for the state-of-the-nation address. *The answers are all there.*

[Reporter] Sir, what do you think of the Malacanang reporters?

[Ramos] Malacanang...?

[Reporter] Reporters. What do you think of us? [laughter]

[Ramos] Oh, the press corps. Well, I would not be giving you a free lunch. *Anyway, this is Juan de la Cruz' tradition.* If I did not love and appreciate the Malacanang press corps, you would not be here. But let me show that appreciation and affection in all sorts of other ways. This is yet the beginning.

[Reporter] Sir, one more question about the bases. When are you planning to implement the Bases Conversion Development Authority [BCDA]? The Bases Conversion Development Authority.

[Ramos] Okay, that's the bigger umbrella, the one that we are working on now, which is more immediate, and this is more urgent in the sense that there are already many groups, foreign as well as local, that are interested in undertaking economically productive activities in the

Subic area. This is understandable because there is more capability out there in Subic as compared to Clark. Clark is still under disaster conditions, and right now it's not very attractive to foreign investors as well as domestic entrepreneurs. But we continue to work on cleaning up Clark itself and, as you well know, we are trying to minimize the damage by lahar flows in the vicinity so that in the passage of time, reasonable time, even Clark and the Angeles area will be an attractive investment destination. but Subic is very active now, and many groups have, since the elections, have manifested their interest in the Subic area.

[Reporter] Sir, do you set a timetable for the completion of all the aspects of this job?

[Ramos] Well, there are certain deadlines in the law that created the Bases Conversion and Development Authority, one of which subsidiaries is the Subic Bay Development Authority. But we would want Subic to be developed as much as possible. Mayor Gordon as the chairman has a one-year term as chairman. Richard is up and about trying to speed up the process of development in that area.

[Reporter] Sir, [question indistinct]

[Ramos] Well, he took a lot of notes during our meeting. I just told him and he took a lot of notes. I cannot take down notes.

[Reporter] [question indistinct]

[Ramos] He said and I agreed that this be discussed in the Mutual Defense Board which to me is the proper channel.

[Reporter] [question indistinct]

[Ramos] We are still awaiting recommendations for the transition to BCDA. In the case of the Subic side, it is not too difficult because there are mandatory positions that are to be filled which are up for discussion with the mayor. Then there are five representatives that must come from the leading sectors from within the base, like [one minute break in reception]

[Reporter] Sir, what about reports coming out that some of your Cabinet secretaries are not seeing eye to eye, and this alleged in-fighting among....

[Ramos, interrupting] This has been denied by the Cabinet members that have been mentioned in your stories. And I also deny it from my overview as the president. But I think what's going on is, I consider this the first pangs of a new administration. All of those that are in cabinet positions now are those chosen through a very thorough and rigid talent search. Some of them were in the political campaign, but many were not. But we are only starting together as key players in this administration and I'm very sure that all of them appreciate the value of unity, solidarity, and teamwork, which is what I have been preaching all my senior public service career. And I don't think there's anybody that will deviate very far from that.

[Reporter] Sir, you are holding them together?

[Ramos] Well, they're holding each other together and I'm also there to hold them together because after all, that's my team.

[Reporter] Mr. President, may we have your personal comment on the report of the foreign nuclear experts about the BNPP [Bataan Nuclear Power Plant]?

[Ramos] About the experts?

[Reporter] The BNPP report.

[Ramos] The one that came here?

[Reporter] Yeah.

[Ramos] In the first place, that is a very prestigious international body. The chairman, Mr. Henry was the former chairman of the U.S. Atomic Energy Commission. Dr. (Yien), I think that is his name, who is from Taiwan, is the current chairman of their atomic energy commission. And the Japanese representative is also a former member of their atomic or nuclear power peaceful use commission who is, I have noted, an authority in that field in his country and internationally. So I don't think we should question the credentials of that group. And their report is positive in the sense that structurally, the BNPP is safe, and that they can bring the safety aspects in terms of maintenance and operation to the most comfortable safety levels that Westinghouse will put in....[Ramos changes thought] what Westinghouse is putting into their other nuclear plant projects, as well.

[Reporter] Sir, are you endorsing the reactivation of the plant to the Congress?

[Ramos] We are waiting for the overall strategy that must be completed by the 4th of September. We have that little time left, but at the same time, there is no recommendation from our Philippine panel as well as from our energy adviser, Secretary Garrucho. But we're working on it. We are leading towards September 4. And shortly before that deadline, you will know what the decision will be.

[Reporter] Sir, there seems to be a little infighting also in the Philippine National Police [PNP]. For instance, [words indistinct] are accusing Diokno of being involved also in this kidnap-for-murder. Are you not taking any action...?

[Ramos, interrupting] Right now this is at the level of a police district. *Let's just leave them for a while to the next higher commanders and after that the director general of the PNP himself. But maybe this is a healthy sign. They might get to the truth of the matter, after all.* [1 minute break in reception] Those counterpart funds can come either from the private sector, from joint ventures under the BOT [build-operate and transfer] scheme or from the appropriations of the government. It would be much better if [words indistinct] so that they can speed up the completion of the projects, some of which have long been delayed although they are in the pipeline. So having made this presentation or clarification to the leaders of Congress and knowing that desire also to help their respective provinces, regions, and the country as a whole in terms of much needed infrastructure, I am very hopeful that they will support our revenue generating measures. Of course there are many ways that this can be done. One of the persistent recommendations of Congress to us is to have two major agencies of the government—the BIR [Bureau of Internal Revenue] and the Bureau of Customs—be more efficient and more effective in their revenue collection efforts. And I agree. At the same time, however, we must search for and exploit other nontraditional sources of revenue. We must also improve our tax base. And we must also privatize to the fullest extent possible so we can monetize or convert into cash any nonperforming assets of the government.

[Reporter] Sir, there is a report that Mrs. Marcos has agreed to have the body of Mr. Marcos returned on September 1 to Ilocos Norte and have him buried there on September 11. We're wondering if you have any communication on this, if you approved [words indistinct]

[Ramos] No. I'm still awaiting the report of Secretary Alunan who is our [words indistinct] in the negotiations for the return of the remains of the late president. And he is the one authorized by me to be in touch with the Marcos family but I have not received any communications directly from Mrs. Marcos. On her reported acceptance of Ilocos Norte as the destination and burial place for the late president, *I have received nothing yet.*

[Reporter] Sir, on [words indistinct] of Secretary Alunan sooner or later the Marcos body may be buried in Tanay, Rizal, in a Marcos property.

[Ramos] I don't even know about that, that's why I'm awaiting the report.

Senator Gonzales Re-Elected Senate President

HK2707071392 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 27 Jul 92

[Text] Senator Neptali Gonzales was formally sworn-in today as the Senate's new president.

[Begin Gonzales recording] Now [words indistinct due to interference] I formally swear to perform in the best of my ability and with total dedication, my duties and my other tasks under the Republic of the Philippines. [end recording]

Senator Gonzales, in his speech, thanked the Senate for trusting him to continue leading the Upper House. He also expressed total support for the President Ramos' legislative proposals with regard to amnesty, the vanquishing of crime, and the carrying-over of the previous Senate's unfinished duties.

De Venecia Elected New Lower House Speaker

HK2807023792 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 27 Jul 92

[Text] Congressman Jose de Venecia of Pangasinan was formally voted in today as the new House speaker of Congress. The vote was 151 in favor of De Venecia, and only 42 congressmen for his rival, Tarlac Congressman Jose Peping Cojuangco.

After being sworn in as House speaker, De Venecia, in his speech, said that during his tenure, he will try to make Congress the best and most responsible Lower House the country has ever had.

De Venecia called on all congressmen to unite, set aside partisan politics, and join forces in solving the country's problems. He has also expressed support for the Ramos' administration's priority projects aimed at solving the country's problems. Among those programs which the Ramos administration will give priority to will be industrialization, an unconditional amnesty for all rebels, debt relief, and the development of the Philippines as the next economic miracle in Asia.

Here is part of De Venecia's speech after being sworn in as the next house speaker:

[Begin recording in English] [De Venecia] Let me set the record straight. We have united the House so as not to make it a footstool of the executive; we have united the House to give it a place beside the executive, working with him [as heard] for the good of the nation and not for the (advancement) of one branch of government at the expense of another. We have united the House to give it—after honest debate, discussion, and decision—a single coherent voice so that the executive will understand what it said.

We have united this House to give it an ear open to the executive so that by the bold expression of views, on the generous [word indistinct] of opinion, the two arms of government may work efficiently for the common good.

I am aware of my limitations. I approach the tasks before me with trepidation. Yet I am not without confidence that with the support of the House, I shall prove equal to the tasks laid by my friends, my colleagues, and even by those whose turn in this place is not yet.

With friends and former rivals, I believe that we shall succeed in making this Congress notable for its success in a time of crisis. If we win it, it can be and should be the House in history. [sentence as heard]

I ask those who joined us and those (who fought us) to join us now in an endeavor no congressman, of whatever political persuasion or faction, can object to—an endeavor to make this House famous for its achievements and forgotten for its past failings. To make this House the vanguard of progress, we must attain our goals before time runs out. The ends we seek and the goals we.... [end recording]

Police on Red Alert for Opening of Congress

HK2707020092 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 26 Jul 92

[Text] The Central District Highway Patrol Group [CDHPG] in Quezon City is on red alert today due to the simultaneous opening of Congress at the National Assembly building, 78th anniversary of the Church of Christ at the Commonwealth Avenue; and the rally by Bayan [New Nationalist Alliance] and the 1 May Movement [KMU] at the Quezon Circle.

The CDHPG will combine with the North Capital Command and the Central Police District Command forces to ensure peace and order during these occasions.

The police's foremost responsibility is to provide security for congressmen attending the first congress session under President Ramos administration and to prepare for any trouble that may erupt during the protest by Bayan and the KMU.

Militant Groups Demand Junking of Debt Package

HK2707032592 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 26 Jul 92

[Text] Militant groups, like the 1 May Movement and the Progressive Labor Forum, will hold a protest action today before the Batasan [National Assembly] Complex in Quezon City. The groups will demand for the junking of the debt package signed in London and the permanent closure of the Bataan Nuclear Power Plant. The groups intend to deliver their own state-of-the-nation address.

Sison: No Conditions to Movement Legalization

HK2807085192 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 28 Jul 92

[Text] Jose Maria Sison, Communist Party of the Philippines- New People's Army [CPP-NPA] chief, said the Ramos government should first outline the legal guidelines governing the CPP's legalization before the communist movement can accept such an offer. He said it must be ascertained that there are no hidden conditions to the proposed law which may hinder the country's democratization. He also said the left will not accept the CPP's legalization if it requires the surrendering of firearms.

[Begin Sison recording] We would just like to improve the political situation, to have the conditions and the term anticommunist, which the Philippine ruling class uses in their efforts to suppress the country's democratic movement, removed.

Although we can say that the cancellation of the antisubversion law is a wise move, it still would not be acceptable if the proposal has catches and conditions attached to it, like the surrendering of firearms even if there have been discussions or negotiations as to how the nation's problems will be solved.

Although there would be revolutionaries who would be disheartened [with the communist movement] by this [cancellation of the antisubversion law], the revolutionary movement's basis, that the Philippine masses will continue to struggle as long as oppression and abuse exist, shall survive. [end recording]

Thailand

Joint Talks With China on Khmer Rouge Planned

BK2807021392 Bangkok BANGKOK POST in English 28 Jul 92 p 9

[Excerpts] Thailand and China plan to meet in Bangkok in August to try to get the Khmer Rouge to abide by the UN-sponsored peace accord in Cambodia, a Foreign Ministry spokesman said yesterday. [passage omitted]

"We think that it will be useful if we have consultations with the Chinese," said the spokesman, who spoke on condition of anonymity.

"I don't know whether it will work or not."

He said the Khmer Rouge might be invited to attend the meeting, which will be held either in Bangkok or Phatthaya. No date has been set. [passage omitted]

Cambodian Trade Delegation Discusses Investment

BK2507041392 Bangkok THE NATION in English 25 Jul 92 p B8

[Text] A group of senior Cambodian officials is visiting the Board of Investment [BoI] to discuss mutual cooperation with Thailand in the investment sector. Minister of Policy Chea Chanto and his deputy Huy Lim are in Thailand until tomorrow as guests of the Board of Investment.

Accompanied by another three officials from Phnom Penh, the week-long visit is part of Bangkok's plan to help revive Cambodia's war-torn economy by promoting Thai investments in Cambodia. Although there remain some problems with political stability and an absence of investment laws, the Thai officials thought that investment prospect do exist. But Cambodia needs to establish a conducive business climate by creating an efficient infrastructure and developing human resources.

According to a BoI official, the Thai and Cambodian delegations agreed in principle to exchange officials as a means of exchanging experiences between the two states. Thailand is the biggest foreign investor in Cambodia. Thai investors are already engaged in banking, hotels, tourism, forestry, gemstones, property and aviation.

The Cambodian delegation met with officials from BoI, FTI [Federation of Thai Industries] and Thai Bankers Association yesterday. During the panel discussion, the Cambodians briefed Thai officials on the 600,000 hectares of agricultural land which remains undeveloped in Cambodia. The Cambodian government was also short of money to spend on the agricultural sector.

Tax collection carried out at different levels of government and the wide variety of taxes, including land tax and output tax, since 1989, has hindered the growth of agricultural sector in the country.

On the industrial side, the Cambodian delegation informed their Thai counterparts that Cambodia has only small and medium scale industries such as garment, drinks, household equipment, nails and jute sack.

The industrial sector was disrupted by an inadequate electricity supply. Moreover, the country also lacked skilled management to run businesses. But, the Cambodian officials said, there are at least four plants—cigarette manufacturing, tyres, jute sack and soft drinks—which have successfully developed their businesses on a self-reliance basis.

Bids To Improve Ties With SRV Back on Track

BK2807022392 Bangkok BANGKOK POST in English 28 Jul 92 p 9

[Text] Efforts to improve relations between former enemies Thailand and Vietnam, stalled by the recent Thai political crisis, are to get back on track today with a visit to Bangkok by Vietnamese Prime Minister Vo Van Kiet.

The Vietnamese premier, who is due to arrive today for a two-day visit, will be holding his third series of talks with his Thai counterpart Anan Panyarachun since rapprochement between the long-time foes was set in motion by the Cambodian peace accord last October.

Vietnam is now looking to its prosperous neighbour to play a major role as it abandons rigid central planning and struggles to emerge from years of economic isolation and stagnation.

Thailand is keen to become a staging area for other countries as they move in to invest and trade with Vietnam and its two Indochinese neighbours - Cambodia and Laos.

Just days after the Cambodian peace treaty was signed in Paris last October Mr Kiet was in Thailand for discussions with Mr Anan.

The two countries then signed an investment promotion and protection pact as well as a memorandum of understanding on cooperation in exploiting Vietnam's natural gas resources.

Mr Anan's return trip to Hanoi last January was hailed by the official Vietnamese media as the beginning of a new era in relations between the two countries after the Cambodian war, during which Thailand backed a guerrilla alliance fighting Phnom Penh's Vietnamese-installed government.

One major problem, however, remained unresolved during Mr Anan's January visit to Vietnam: much to Thailand's disappointment an expected agreement on fishing was not concluded during the trip.

The pact calling on Thai and Vietnamese fleets to fish jointly in Vietnamese waters and for joint investment and technical cooperation in Vietnamese waters and for joint investment and technical cooperation in fishing and related industries, was to have been the highlight of Mr Anan's visit.

But Hanoi put off signing at the last minute and fishing disputes remain a persistent thorn in relations between the two countries.

Between 800 and 1,000 Thai fishermen currently languish in Vietnamese prisons while some 30 Vietnamese, who Hanoi insists are naval personnel, are currently in Thai detention on piracy charges

Another unresolved problem between the two countries is the development of the lower Mekong river basin which includes northeast Thailand, large areas of southern Vietnam as well as most of Cambodia and Laos.

Thailand, Laos, Cambodia and the then government of South Vietnam set up the Mekong Committee, under UN auspices, in 1957 to exploit the hydroelectric power, irrigation and other potential benefits of the river.

The end of the Cambodian war should have meant the resumption of joint efforts to exploit one of the world's largest rivers, but progress has been blocked with both Thailand and Vietnam worried that their national interests are in jeopardy.

Thailand wants the original 1957 agreement renegotiated with upstream countries Burma and China brought into the forum, while Vietnam is worried that too much upstream exploitation of the Mekong's waters will be the death of its vital Mekong delta rice-growing area.

Defense Committee Reports on May Events to Anan

BK2707134292 Bangkok Army Television Channel 5 in Thai 1230 GMT 27 Jul 92

[Text] General Phichit Kunlawanit, deputy permanent secretary for defense, in his capacity as the chairman of the Defense Ministry committee investigating the political events between 17 and 20 May, and the defense minister handed over a report on the results of the investigation to Prime Minister Anan Panyarachun at Government House today. They also held a meeting for about two hours.

After the meeting, both Gen. Phichit Kunlawanit and Defense Minister Gen. Banchop Bunnak avoided meeting with journalists by leaving through the back door of the Government House building. The prime minister, who spoke to reporters, said only that he had received the report on the investigation. However, he could not give any comment right now, saying that he will have to study the report first before giving a press conference on the issue.

Asa Reports on Post-Crisis Economic Recovery

BK2607012492 Bangkok BANGKOK POST in English 26 Jul 92 p 4

[Text] Manila—Foreign Minister Asa Sarasin yesterday stressed to his Australian counterpart that the Thai economy is recovering from the setback caused by the May crisis, a Foreign Ministry spokesman said.

Australian Foreign Minister Gareth Evans raised the question of the May events during a lunch with Mr Asa.

According to Wichian Sawatdikunchai, deputy director-general of the Foreign Ministry's Information Department, the Thai Foreign Minister cited a better balance of payments and an inflow of tourists, including Austrlaians.

Mr Evans noted that the situation in Thailand had normalised since May but asked Mr Asa if there was a possibility of a repeat of a situation like that of October 6, 1976.

Mr Asa was quoted as pointing out that the two situations are different.

In October 1976 only a limited number of people were involved in the conflict. In the May events there was widespread support for the pro-democracy movement, including from members of the country's business sector.

According to the spokesman, Mr Asa said that he himself was for the pro-democracy movement. He expressed his belief that people had learned a lesson from the May events but he was not sure if the politicians had.

Party Leader Says Anan Lacks Neutrality

BK2707020792 Bangkok BANGKOK POST in English 27 Jul 92 p 3

[Text] Prachakon Thai Party leader Samak Suntharawet yesterday accused Prime Minister Anan Panyarachun of not being neutral for urging the public to help "unmask" the right-wing movement campaigning against pro-democracy groups.

"The Prime Minister is not being neutral. Why doesn't he also ask others to help unmask the pro-democracy groups, too?" Mr Samak commented.

The Prachakon Thai leader made the comment after arriving at the Central Plaza to speak at a gathering of party candidates running in Bangkok's Constituency 12 in the September 13 general election.

On hand to back Mr Samak as he spoke to reporters was a small group of people who stood at the entrance of the meeting room distributing leaflets of the right-wing movement—the Organisation for Protection of Democracy under the Monarchy—formerly known as the Aphirak Chakkri group.

Mr Samak said he felt that the Prime Minister was siding with pro-democracy groups. The politician also criticised the mass media for treating him badly. He said one television station sent reporters to interview him. The interview lasted 20 minutes but when it was broadcast it was edited down to only one minute.

Newspaper reporters, he said, also appeared to be trying to draw him into an argument by posing provocative questions. Mr Samak said he has decided not to accept invitations to appear on television panel discussions because he felt that the organisers had no intention to hear what he wanted to say but rather grill him in public.

The former Bangkok MP also accused Poll-Watch of not being neutral.

"We haven't even registered our candidacy but the PollWatch has already started saying that it will keep a close watch on our party because it thinks that we are going to use money to buy votes because we did not do very well in the last general election," Mr Samak said.

Article Views Election Issues, Party Groups

BK2707022592 Bangkok BANGKOK POST in English 27 Jul 92 p 1, 3

["Legacy of May" by "Post reporters"]

[Text] Despite the frantic switching of political parties by former MPs, the break-up of parties and the attempts to change their names, the battle lines and the issues in the year's second general election are clear.

As party candidates start registering for the September 13 elections today, the implications of the military crackdown in May acoantinue to hover over the political landscape.

In certain regions of the country, especially in Bangkok and the South, the uprising in May will be the key factor affecting results when the votes are counted. In the Northeast, North and Centreal Plains, traditional-style politics are expected to hold sway.

But on the whole, the election campaign is likely to be polarised. The military crackdown has fuelled an eruption of democratic awareness as opposed to the desire and attempts to hold on to the traditional, if not dictatorial, position.

This has polarised the parties' election campaign into two blocs. The heightened democratic awareness has also forced the pro-military parties to change their names or portray new political shades.

The pro-democracy parties which demanded the resignaton of former Prime Minister Gen Suchinda Khraprayun and for changes to the constitution the democrats, Phalang Thanmo, New Aspiration and Solidarity—hope to benefit from the current democratic euphoric.

They are squared off against the former coalition parties which backed Gen Suchinda to the hilt, even during the crackdown, although key parties in this bloc have undergone rapid, chameleonlike transformations in make while retaining the same politicans forged from the same political mettle.

The most prominent of the political transformations is that of the Chat Phatthana Party headed by former Prime Minister Gen Chatchai Chunhawan.

The party's objective is clear: to distance itself from the tainted, so-called "satanic" political parties, gain as many seats as possible in the election and back Gen Chatchai as the country's next prime minister.

The formation of Chat Phattana was a political bombshell and its repercussions continue to be felt. Chat Phatthana, a number of political analysts believe, contributed to the renewal of the scourge of Thai politics: the bidding of buying and selling of former MPs and candidates.

Depending on the prospects of potential candidates, former MPs were reportedly offered money to join parties according to the "three-five-seven" formula (three million, five million or seven million baht).

The formation of Chat Phatthana, originally Puang Chon Chao Thai, virtually turned the Chatchai residence in Soi Ratchakhru into a Sunday market with former MPs of various shades and colours swinging through the gates.

As of July 23, Chat Phatthana appears to have been able to muster the largest contingent of former MPs—about 80—to contest the September 13 elections.

Gen Chatchai's decision to leave Air Chief Marshal Sombun Rahong waiting for the second tie—the first being the appointment of Anan Panyarachun as prime minister—resulted in a mass defection of former MPs from Chat Thai.

Some 30 former Chat Thai MPs joined Gen Chatchai as well as about 20 other former [001a]Ps from the pro-military Samakkhi Tham Party, which had close links with Supreme Commander Air Chief Marshal Kaset Rotchananin.

This group is led by Chawalit Osathanukhro and backed by former Deputy Prime Minister Phong Sarasin and former Commerce Minister Surat Osathaukhro.

Another bloc joing Chat Phattana is about 10 former eastern MPs closely aligned to Somchai Khunplum, better known as Kamnan Pot.

Other smaller yet crucial groups of MPs filling up the Chat Phatthana ranks are seven to eight members of Puang Chon Chao Thai, led by former Army Chief Gen Athit Kamlang-ek and six former MPs of the Social Action Party [SAP].

Chat Phatthana has even managed to win over to its side four former MPs of the New Aspiration Party of Gen Chawalit Yongchaiyut.

Although Gen Chatchai's image is tarnished by the seizure of his assets for allegedly being "unusually rich" and because he led what many consider to be one of the most corrupt of Thai administrations, party stalwarts are confident of the financial strength of the party.

Gen Chatchai's own popularity, and the fact that he was not tarnished by the May incidents, has attracted numerous MPs to his party. Party sources say they expect to gain as many as 80 seats from the estimated 350 candidates to be fielded.

Chat Phatthana hopes to win as many as 45 seats in the Northeast, 20 in the Central and Eastern provinces, 10 in the North and two in the South.

In Nakhon Ratchasima Province, where there are 15 seats available, Chat Phatthana expects to win 10 seats with key candidates being Gen Chatchai himself, his nephew Kon Thappharanigsi and Suwat Liptaphanlop.

Of the former major coalition parties, Chat Thai and Samakkhi Tham are badly bruised as a result of the May crackdown.

Apart from being branded as one of the two key " satanic" parties, Chat Thai had hopes of improving its tarnished image dashed when Gen Chatchai opted to lead a new party.

Samakkhi Tham tried to clear up its image by changing its name to Therd Thai but also suffered from the Chatchai gambit when former MPs flocked to Chat Phatthana.

Despite the uneasiness among many MPs, key Thoet Thai leaders—Anuwat Watthanaphongsiri, Phinit Chantharasurin and Narong Wongwan—agreed to a sudden merger with Chat Thai.

This prompted the rumour that other pro-military parties such as Social Action and Ratsadon may merge with Chat Thai.

SAP leader Montri Phongpanit even said he had to consult with M.R. Kukrit Pramot first, but such a merger did not eventuate.

The fact that no changes are imminent in Chat Thai's executive committee, leaving Thoet Thai without any administrative role in the party, upset Somphong Amonwiwat, who left Chat Thai after the merger.

Chat Thai boats about 70 former MPs of which 30 are former Thoet MPs. The party expects to win 60-70 seats from the 200 candidates running under its banner.

In this election Chat Thai's main base in the Central Region is not greatly affected by the mass defections to Chat Phatthana because most have decided to ramin with the party secretary-general, Banhan Sinlapa-acha.

In this election, Chat Thai's base will be the Central Region and slabs of the north. Unlike Chat Thai and Chat Phatthana, Mr Montri's Social Action ahs adopted a low profile.

The party did not escape some level of defection, the most prominent being that of party secretary general Prayut Siriphanit, who decided to join Chat Thai.

Four other former MPs decided to join Chat Phatthana.

In recent elections, SAP clout as a political force—a force which once dominated the Northeast—has gradually dwindled. In the March election it won 22 seats in the Northeast compared to the 40 seats of New Aspiration and 33 of Samakkhi Tham.

This time around the SAP, which will be fielding about 150 candidates, must consider itself extremely fortunate to be able to retain the 31 seats it won in the last election.

While the prospect of making sizeable gains in parliament exists for the key pro-military parties, this September's election will decide the fate of Samak Suntharawet's Prachakon Thai whether it will continue to exist as a political party.

Following the defection of the party's three Chanthaburi MPs, the party is left with just four MPs, the most prominent being Mr Samak and Lalita Roeksamran, both Bangkok MPs.

Despite these ominous signs, Mr Samak has decided to align himself clearly with the rightist power base, the military.

His political leanings were clear when he recently joined the Aphilak Chakkri meeting, which directed attacks against Democrat Chuan Likphai, New Aspiration's Gen Chawalit and Phalang Tham's Chamlong Srimuang.

Of the pro-democracy parties, the Democrats appear to have benefitted most, even though it had reservations about joining the street demonstrations and disagreed with MPs playing politics "outside Parliament".

After the May crisis the Democrats attracted a wealth of qualified candidates, especially for the Bangkok constituencies.

Political analysts believe that the current political mood will favour the Democrats and enable them to make gains in Bangkok.

The analysts believe the Democrats will be able to take away seats from Phalang Tham in Bangkok because Maj-Gen Chamlong has come under criticism as being extremist in his leading of pro-democracy demonstrators.

The Democrats hope to make gains in Bangkok Constituency 6, where the party has its sole MP, Aphisit Wetchachiwa. The party also believe it can win seats this time in constituency eight and 12.

In the South the Democrats' main rival is Phalang Tham, which aims to expand its base outside the Bangkok area.

The Democrats remain confident that they will remain the most popular party in the south, and campaigning along the lines of making Chuan Likphai as prime minister wil further boost its prospects.

While the Democrats' prospects of retaining the 26 seats it won in the South are good, its prospects in the Northeast have dwindled. The party appears unable to counter the Chat Phattana juggernaut, new Aspiration or even the SAP.

The defection of Prachuap Chaiyasan to Chat Phatthana further wekens the party's prospects in the Northeast. The party must consider itself to have done well if it can retain the 12 Northeast seats it won in March.

Nevertheless, the Democrats are expected to gain overall in Setember and could win between 50 and 60 seats in the new House of Representatives.

As a new political party which relies solely on public faith and support of its leader, Maj-Gen Chamlong, Phalang Tham must be considered one of the fastest-growing.

From 14 sets in 1988, Phalang Tham won 41 seats in March this year. But in this election, Phalang Tham is being watched carefully, especially after the criticism of Maj-Gen Chamlong for "leading people to die" in the pro-democracy demonstrations.

This line of thinking is likely to affect Phalang Tham's support in Bangkok, especially among the middle class. But overall the drop in support is not expected to be substantial.

Maj-Gen Chamlong stil retains his image as "Mr Clean", of being able to administer the city with results and as a fighter for democracy.

In this election, Phalang Tham hopes to expand its base because it has reduced its image of being a party nominated by the Santi Asok group.

The inclusion of a number of prominent businessmen, such as Akon Huntrakun, Prasit Narongdet and Sompot Piya-ui, will help boost its image of becoming a broader-based party.

The party also has good prospects of expanding its numbers in the South with the inclusion of three prominent former Solidarity MPs, Chamni Sakdiset, Sutham Saengprathum and Witthaya Kaeopharadai of Nakhom Si Thammarat constituency 3.

A number of former student activists from the October 1973 period have also joined the party and will contest in the Northeast and south. Phalang Tham, like the Democrats, is likely to see its numbers increase after this election to about 50 or even 60 seats.

Unlike its two major pro-democracy partners, new Aspiration appears likely to suffer from a reduction of MPs in Parliament after September 13. Since most of the party's MPs are from the Northeast, it faces strong challenges from well-heeled parties like Chat Phatthana.

Gen Chawalit himself, like Maj-Gen Chamlong, has been a target of what appears to be an orchestrated smear campaign to discredit him.

Another drawback prior to registration today was yet another conflict within the party between secretary general Phisan Mulastsathon, and financier Charoen Phatthanadamronchit, better known as Sia Leng.

The conflict emerged when attempts were made to change the way in which party funds were channelled to its Northeasn MPs. Instead of distributing funds through Sia Leng, the party wanted to deal directly with MPs.

Sia Leng's dissatisfaction probably manifested itself in his declaration that he will support Gen Chatchai's Chat Phatthana Party as well as new Aspiration in this election.

But the conflict appears to have been resolved because MPs under Sia Leng's control will remain with the party.

New Aspiration, however, still lost about six MPs, who have joined Chat Phatthana and the Democrats.

The party is trying to back its own candidates who failed to get elected in the last election especially those who came in fourth and lost by a slim margin. The party is backing about 24 such candidates this time.

In March, New Aspsiration won 72 seats, of which 40 are from the northeast and 12 from the South.

Faced with a strong challenge in the Northeast, new Aspiration's overall numbers in Parliament are expected to drop, although it hopes to retain the same number as in the March elections.

Following the May incident, Solidarity, now headed by Uthai Phimchaichon, appears to have lost its image of being a small party of qualified MPs.

The reason is simply that Bunchu Rotchanasathian and three former Nakhon Si Thammarat MPs have left to join Phalang Tham.

Although the party is fielding about 186 candidates, it faces its toughest challenge yet in the East from Kamnan Po's Chat Phatthana team.

Of all the political parties contesting in September, Seritham can boast a party leader who is perhaps considered a nationwide hero because of his role in nominating the prime minister.

Dr Athit Urairat gained untold praise for submitting the surprise nomination of Anan Panyarachun as prime minister instead of Air Chief Marshal Sombun Rahong.

Paper on Election Prospects

BK2707022192 Bangkok THE NATION in English 27 Jul 92 p A8

[Editorial: "September 13 Polls: A Contest of Five Major Parties"]

[Text] Sixteen parties are eligible to run in the Sept 13 general election for which candidacy registration opens today, but the real contest will be among only five major parties: Chat Pattana (National Development), Chat Thai, New Aspiration, Democrat and Phalang Tham. Each of these has a leader with enough potential to be the next premier; whereas leaders of the other 11 parties still have to struggle just to get elected.

Barring any last minute mass defection, the Chat Phatthana Party of former premier Gen Chatchai Chunhawan appears to have the largest number of former MPs. The party intends to field more than 300 candidates in the upcoming election in which 360 House seats are at stake. The party is strongest in the Northeast, especially in Nakhon Ratchasima where Chatchai's team is expected to sweep all the three House seats in Constituency No 1 of the largest northeastern province. The Chat Thai Party recovered from the setback caused byd the breakaway of Chatchai and his followers to Chat Pattana by wooing Narong Wongwan to lead his men in Therd Thai (formerly Samakkhitham) to join it. Chat Thai's strongholds in central provinces remain safely in its control. The arrival of narong's group, whose members are mostly veteran politicians in the North, will significantly increase Chat Thai's seats from northern constituencies.

Chat Thai is the only party with enough former MPs to best Chat Phatthana in winning the largest number of House seats. But Chat Thai leader Pol Gen Praman Adireksan is not as popular as his brother-in-law and Chat Phatthana leader Chat Chai.

The military appointed Assets Investigation Committee last year found both Praman and Chat Chai "unusually wealthy" and confiscated part of their assets suspected to have been obtained illegally. The two party leaders are appealing the confiscation of their assets and they hope to capitalize on this political handicap by portraying themselves as victims of military leaders who staged the coup on Feb, 23 last year and set up the Assets Investigation Committee.

The New Aspiration Party seems to have lost a great deal of its self-confidence after the party came third in the March 22 election this year. Party leader Gen Chatwalit Yongchaiyut's leadership was also weakened by his failure to reachf the premiership, both in the aftermath of the polls and the resignation of Gen Suchfinda Khraprayun as premier in May. The emergence of Chat Phatthana at first threatened to cause mass defections from New Aspiration. A rift between Chawalit and secretary general Phisan Munlasatsathon increased confusion in the party. But in the end only a few former MPs left the party after Chawalit and Phisan patched up their differences.

The Democrat Party's strength is in the popularity of its leader Chuan Likphai and its well-established party system. Chuan can be the next premier if his party wins a larger number of House seats in Bangkok. In the previous poll, the party won only one of Bangkok's 35 House seats.

At the same time, the Phalang Tham Party's future depends largely on its ability to defend its political stronghold in Bangkok and make inroads into the provinces.

Thirty-two of the party's 41 House seats were won in Bangkok. The party's confidence in its defacto leader Maj Genf Chamlong Simuang, was further boodsted by Chamlong's recent winning of the Philippines' prestigious Magsaysay award for government service.

The Social Action Party, which won 31 House seats in the previous elections, will be lucky to win as many seats this time. The Siritham Party (Liberal Democratic) of exhouse speaker Athit Urairat has only six former MPs. It needs a miracle to win more than 10 House seats.

Also destined to win fewer than 10 House seats are Prachakon Thai Ratsadon, Solidarity and Muanchon.

Though the registration of election candidates only begins today, leaders of the five major parties may already have in mind who will be their allies in the new coalition government and which of the five major party leaders can really be the next premier.

Parties Listed as Eligible To Run in Elections

BK2507010592 Bangkok BANGKOK POST in English 25 Jul 92 p 3

[Text] Sixteen political parties are eligible to stand for the general election, Local Administration Department director-general Chuwong Chayabut said yesterday.

The 16 are Chat Phatthana, Democrats, Ratsadon, Chat Thai, Prachakon Thai, Social Action, Solidarity, Muanchon, Phalang Tham, New Aspiration, Thoet Thai, Phalang Prachachon, Seri Tham, Pracha Thai, Kasetakon Thai, and Songsoem Prachathiphatai, said Mr Chuwong.

Meanwhile, Interior Deputy Minister Anek Sithiprasat said provincial governors would be immediately transferred if they are found siding for any political party.

On his election survey tour to Phitsanalok, Phichit, Phetchabun, and Uthai Thani, Mr Anek said that civil sevants can ask for a temporary transfer if they feel uneasy in dealing with some politicians in their province during the election period.

Vietnam

Delegate Reviews Visit to Russia, Cooperation

BK2507072592 Hanoi VNA in English 0625 GMT 25 Jul 92

[Text] Hanoi VNA July 25—The visit to the Russian Federation by a Vietnamese Government delegation led by Vice Chairman of the Council of Ministers Tran Duc Luong has achieved fine results, met the needs and aspirations of the two countries and opened bright propspects for economic-commercial cooperation between the two countries, said Le Xuan Trinh, deputy head of the State Planning Commission and member of the delegation, in an interview with the national daily NHAN DAN.

Le Xuan Trinh said:

"During its visit, the delegation has working sessions with three russian deputy prime ministers in charge of the economy, fuel and energy, science and education. He noted that Russo-Vietnamese relations had entered a new stage concluding a period of coolness and standstill. The Russian Government will stand by the agreement signed before August 15, 1991 which defined the fundamental principles in the relations between the two countries, i.e. trading along international practices, payment in convertible currencies, direct relation between enterprises, most favoured nation status....

"The two sides discussed cooperation programmes on the growing and processing of rubber, coffee, tea and vegetables and on Vietnam's sub-contracting the manufacture of light industry goods for Russia in accordance with the two countries' laws on investment. The Russian Federation is ready to broaden cooperation in the building of complete equipment projects in Vietnam according to new modalities such as the 7th and 8th turbines at the Hoa Binh thermoelectric power plant. Also in that spirit, the two sides agreed that in the coming years Vietnam will import some complete factories to be paid for over in a number of years partly in foreign currencies and partly in merchandises. Russia also welcomed Vietnam's proposal to transfor some former Vietnam-Soviet cooperation projects into joint ventures.

"The Russo-Vietnamese inter-governmental committee will meet this month in Hanoi to sign a series of framework agreements on investment guarantees, avoidance of double-taxation, aviation, navigation, posts, banking, labour cooperation training and scientific, technological and cultural cooperation.

"Most noteworthy was the signing of a protocol on goods exchange in 1992. The protocal provides for a trade value of 800 million dollars, 400 million on either side. Vietnam will sell to Russia rice, meat and vegetables in exchange for iron, steel, fertilizer, oil and gas. The two sides agreed to broaden direct relations between business and production organizations and localities of the two countries and resume the contracts on labour supply and training.

"Other republics of the former Soviet Union also wished to broaden cooperation with Vietnam through direct commercial links, joint ventures or 100 per cent investment projects. All the republics wanted to broaden their relations with countries in Asia and the Pacific through Vietnam. In short, the economic and commercial relations between Vietnam and the Russian Federation and other countries in the Commonwealth of Independent States will continue to develop in the years to come."

Khmer Rouge Condemned for Killings of Vietnamese

BK2707153192 Hanoi VNA in English 1425 GMT 27 Jul 92

[Text] Hanoi VNA July 27—The Vietnam Union of Peace, Solidarity and Friendship organizations issued here today a statement strongly condemning the Khmer Rouge [KR] for massacring eight persons in two Vietnamese resident families in Kampot Province, Cambodia.

The statement says that the massacre reminds everybody of the genocidal crimes committed by the Khmer Rouge in Cambodia in the past, and is stirring strong indignation among the Vietnamese people and public opinion in the world.

The statement demands that the Supreme National Council (SNC) the State of Cambodia and the United Nations Transitional Authority in Cambodia (UNTAC) duly punish the criminals and take immediate measures to guarantee the lives, properties of, and normal living conditions for, the Vietnamese nationals as well as other foreign residents in Cambodia.

Accord With Japan on Non-Refundable Aid Signed

BK2707134892 Hanoi Voice of Vietnam in English 1000 GMT 21 Jul 92

[Text] Vietnam and Japan on Tuesday [21 July] signed a protocol on the Japanese Government's non-refundable aid of 840 million yen, about 6.5 million USD, for Vietnam in the 1990-92 fiscal year. The aid is to be used to renovate and upgrade Cho Ray Hospital in Ho Chi Minh City.

After the signing ceremony, Vietnamese Deputy Foreign Minister Vu Khoan and Japanese Ambassador to Vietnam Hiroyuki Yushita delivered speeches. They expressed the desire to further develop the relations between Vietnam and Japan.

Deputy Foreign Minister on Japanese Aid

BK2707114292 Hanoi Voice of Vietnam in English 1000 GMT 22 Jul 92

[Report on station correspondent's interview with Deputy Foreign Minister Vu Khoan and Japanese Ambassador Hiroyuki on the significance of the Japanese Government's decision to grant 840 yen million in aid to Vietnam—recorded in Vietnamese fading into English translation; date not given]

[Text] Deputy Foreign Minister Vu Khoan said this is the first time the Japanese Government has officially given such big sum in order to order to operate the Cho Ray hospital. The decision is a first positive step forward in the development of relations between Vietnam and Japan.

Nevertheless, budget is more in conjunction with the quickly developing world situation. Vietnam is ready to expand her relations with Japan for the interests of the two countries.

I hope prospects for future economic cooperation between the two countries will further develop.

Lao Awards Conferred on SRV Experts

BK2807072592 Hanoi VNA in English 0629 GMT 28 Jul 92

[Text] Hanoi VNA July 28—The government of Laos has conferred its "Freedom" and "Friendship" orders on six Vietnamese experts of the transport and communication service of Quang Nam-Da Nang Province in recognition of their contributions to the construction of transport projects in Laos.

The conferment was made by Mr. Thoong Van, mayor of Saravane Province in southern Laos, during a Vietnam visit on the occasion of the 15th anniversary of the signing of the Vietnam-Lao friendship treaty.

In recent years, Quang Nam-Da Nang sent many experts and skilled workers to southern Laos, especially Saravane, to help build roads and other civil projects.

Details on Foreign Minister's Activities in Manila

BK2507073192 Hanoi VNA in English 0610 GMT 25 Jul 92

[Text] Hanoi VNA July 25—While in Manila to sign the Bali treaty of amity and cooperation and to attend the 25th ministerial conference of ASEAN on Tuesday and Wednesday as an invited guest, Foreign Minister Nguyen Manh Cam had contacts with Mr. Raul Manglapus, the incumbent foreign minister, Mr. Roberto Romulo, the on-coming foreign minister and Mr. De Venecia, head of the Foreign Relations Committee of the House of Representatives of the Philippines.

In these contacts, the two sides exchanged views on bilateral relations, regional cooperation and other inssues of mutual concern.

Also on this occasion, Mr. Cam discussed bilateral relations with the foreign ministers of Laos, China, Indonesia, Malaysia, Brunei, Singapore, Australia and Russia, and the deputy foreign minister of Japan.

Accession to ASEAN's Bali Treaty Welcomed

BK2607094592 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 24 Jul 92

[QUAN DOI NHAN DAN article by Quang Loi: "A Significant Event in Southeast Asia's Political Life"; date of article not given]

[Text] At the 25th ASEAN foreign ministerial conference in Manila, the Philippines on 22 July, SRV Foreign Minister Nguyen Manh Cam, on behalf of the Vietnamese Government, signed the Bali Treaty—the ASEAN Treaty of Amity and Cooperation established in Bali on 24 February 1976. This treaty has six fundamental principles governing the relations between the signatory countries. They include the following:

1. There will be respect for the independence, sovereignty, territorial integrity, and national characteristics of each member country;
2. The rights of each member country will be upheld without foreign interference, and each member country will be free from attempts by foreign countries to overthrow or exert pressure on it;
3. The countries will refrain from interfering in each other's internal affairs;
4. All differences and conflicts will be settled through peaceful negotiations;
5. The countries will refrain from the use of force to settle problems; and
6. Effective cooperation between member countries will be promoted.

These principles of the Bali Treaty are in conformity with current standards of international practice as well as Vietnam's new foreign policy—set by the Sixth Communist Party of Vietnam [CPV] Congress and asserted by the Seventh CPV Congress—which says: Vietnam wants to befriend all countries in the international community to struggle for peace, independence, and progress.

Signing the Bali Treaty means that, for the first time, Vietnam is participating in a regional political agreement in Southeast Asia. This event is of great importance, marking a milestone in the relations between Vietnam and the ASEAN countries.

The fact that Vietnam and Laos gained accession to the Bali Treaty has ended the several decade-long confrontation between the two groups of countries in Southeast Asia, thereby creating favorable conditions for countries in the region—countries which have both similar features and different characteristics—to work together to promote and develop the relations of friendship and cooperation for the interests of each country and the region as a whole.

While carrying out the policy on expanding relations with all countries in the international community, Vietnam has attached much importance to its relations with neighboring countries in the region. This correct line of Vietnam has been testified to by a series of active diplomatic activities in its relations with the ASEAN countries in recent years.

Vietnam's positive regional policy has scored many fine achievements, which have been welcomed and supported by countries in the region and the international community. This is a favorable objective prerequisite enabling Vietnam to sign the Bali Treaty on 22 July.

It must be said that Southeast Asia is now a very dynamic region. During the past four decades this region has undergone repeated international conflicts caused by clashes between the interests of regional and foreign countries, especially the superpowers. Many countries in the region have been divided, exploited, and forced into confrontations. This historical reality is a valuable lesson for countries in the region, especially as Southeast Asia enters a new era after the cold war.

A new path has opened up for Southeast Asia. However, it is not a road bedecked with flowers because there are still differences and conflicts among nations in the region.

One of the most fundamental principles of the Bali Treaty is that of resolving differences and conflicts through peaceful means and refraining from the use of force. Vietnam totally supports this principle.

On this basis, Vietnam hopes that Southeast Asian countries will resolve all difference and conflicts through peaceful negotiations, including the conflict on sovereignty over islands in the Paracel and Spratley archipelagoes in the Eastern Sea. We are pleased to see that the ASEAN countries concerned have shared our views on efforts to resolve this issue through peaceful negotiations.

As a signatory to the Bali Treaty, Vietnam pledges that it will fully honor its commitments to the treaty, and, together with other countries in the region, strive to build a Southeast Asia of peace, friendship, cooperation, and prosperity.

Fishing Port Inaugurated in Spratly Archipelago

BK2707073992 Hanoi VNA in English 0558 GMT 27 Jul 92

[Text] Hanoi VNA July 27—A fishing port was inaugurated on July 19 at a major island in the Truong Sa (Spratly) archipelago to meet the increasing activities of state-owned fishing enterprises and private fishermen in the area. Apart from being an anchoring and sheltering place for fishing boats and ships the port will also serve as a fuel supply station and provide other services for fishermen. Mai Duc Chinh, vice-chairman of the People's Committee of Khanh Hoa province of which the Truong Sa islands are an administration unit, and Nguyen Van Chi, chairman of the people's committee of Truong Sa district, were present at the inauguration.

Lao-SRV Cooperation Achievements Reviewed

BK2707060192 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 17 Jul 92

[Essay by Diep Anh on "new cooperation achievements between Vietnam and Laos" on the upcoming 15th anniversary of the signing of the Vietnam-Laos treaty of friendship and cooperation on 18 July]

[Summary] "According to the virtue of the Vietnam-Laos treaty of friendship and cooperation signed on 18 July 1977, over the years and particularly in the recent period, the friendly relations and the all-round cooperation between the two countries have been further strengthened qualitatively and have produced realistic results.

"In view of the current general trend brought about by changes in international relations and in the world's scientific and technological development, the two countries of Vietnam and Laos are resolutely and persistently renovating their traditional relations to suit the new special circumstances.

"The February 1992 visit to the Lao People's Democratic Republic [DPRK] of our Vietnamese Government delegation led by Comrade Vo Van Kiet, chairman of the Council of Ministers, was a new important event helping spur the friendly relations and special cooperative relations between Vietnam and Laos under a new international situation where both Vietnam and Laos are trying to broaden their cooperative relations with various countries.

"In the aforementioned visit, the heads of the two governments met each other to discuss ways to deploy the joint Vietnam-Laos communique signed on 15 October 1991 during the official friendship visit to the SRV of Comrade Kaysone Phomvihan, chairman of the Lao People's Revolutionary Party and president of the LPDR. Also during Comrade Kaysone Phomvihan's visit, the two sides signed a skeletal agreement on economic and scientific cooperation for the 1992-95 period, examined the realistic capabilities of each side, and agreed on many new measures aimed at stepping up cooperation in various areas—economic, trade, scientific, technological, cultural, tourism, calisthenics, sports, and personnel training. Many protocols on cooperation between the two countries' relevant sectors have been subsequently signed over the past recent months. For instance: A protocol on information and cultural cooperation for the year 1992 was signed in March 1992, a protocol on trade cooperation for the year 1992 was signed in April 1992, an agreement of cooperation between the two countries' journalists associations for the 1992-95 period was signed in April 1992, an aide-memoirs on cooperation in the change of books and cultural publications was signed in June 1992, and so on. Also, in late June, to meet the aspiration of the peoples of the Vietnamese province of Lai Chau and the Lao province of Luang Prabang and with the consent of the Vietnamese and Lao ministries of interior, the two countries opened Border Gate No.13—a new border entry-exit point at the border area between Mon Kham Village in Le District of Luang Prabang Province and Phu Gia Village in Dien Bien District of Lai Chau Province. The opening of this new border gate has created favorable conditions for the Lao and Vietnamese peoples to visit one another and to develop their barter trade."

In 1991 alone, Vietnam and Laos scored many great achievements. "In the field of trade, their 1991 bilateral export value amounted to more than 30 million U.S. dollars, twice as much as that in the preceding year."

Agriculturally, Vietnamese experts have exerted great effort to introduce into Laos those high-yield rice varieties and productive animal species.

"In construction, Vietnam has helped Laos build many huge public utility projects such as roads, bridges, hydroelectric works, hotels, markets, airfields, and so on. Recently, Engineering Incorporation No. 18 of Vietnam has won a bid to build Highway No. 13 for Laos—the 163-km segment extending from Ka Si to Luang Prabang.

"In 1991, Vietnam provided Laos with seven billion dong as gratuitous aid so it could cover the cost of training for its personnel and students in Vietnam."

The relations of friendship and cooperation between Vietnam and Laos continue to be consolidated and developed qualitatively, thus creating more conditions for the two countries to build themselves countries more prosperously just as what President Ho Chi Minh said: The friendship between our two countries of Vietnam and Laos is much deeper than the depth of the Red and Mekong rivers.

Singapore Jointly Sponsors Expo '92 Trade Fair

BK2407160792 Hanoi VNA in English 1546 GMT 24 Jul 92

[Text] Hanoi VNA July 24—Expo Vietnam '92 was opened in Ho Chi Minh City on Thursday under the joint sponsorship of the Business and Industrial Trade Pairs PTE Ltd (B-I) of Singapore and the Vietnam Chamber of Commerce and Industry.

On display at the exhibition funded by Singapore Manufacturers Association (SMA) is a wide range of machines and equipment for the fields of agriculture, industry, communications and transport, health, telecommunications, construction, and a number of half-finished products. The exhibition drew in 40 major Singaporean companies and producers. The organisers said the exhibition is a chance for Vietnamese businessmen and industrialists to better understand the industries in Singapore and the world, and to exchange information with foreign businessmen and manufacturers.

Addressing the inauguration, Mr. James Kwek, director of B and I PTE Ltd, said: "We believe that although our contribution may initially be small, in the longer term there are numerous benefits to be grasped through the hosting of such trade exhibitions. Among the immediate benfits to be enjoyed would be the creation of business opportunities and expansion of bilateral economic relations between the people of Vietnam with the rest of the world.

"We take great pride as professional organisers, for we play an important role in the opening of channels for businessmen from different countries to seek opportunities for the future social and economic development of Vietnam."

As Mr. Robert Chua, SMA president, in an open letter to Expo Vietnam '92 asserted, "the recent open-door policy or 'doi moi' in Vietnam has created many new trade and investment opportunities for foreign businessmen. For example, total two-way trade between Singapore and Vietnam jumped from 11 million US dollars in 1989 to 868 million in 1991.

"The vast opportunities available have not escaped the sharp eyes of the Singaporean businessmen. The large number of business missions to Vietnam from Singapore is a good indication of our commercial interest in Vietnam. Recently, the Singapore Manufacturers Association concluded a memorandum of understanding with the Chamber of Commerce and Industry of the S.R. Vietnam (Vietnam Chamber). The purpose of the memorandum of understanding is to promote greater business cooperation and information exchange between companies of our two countries," he added.

Meeting Marks People's Police Anniversary

BK2607093792 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 17 Jul 92

[Report on a 17 July Hanoi meeting marking the 30th anniverary of the Vietnam People's Police—portions recorded]

[Summary] The Ministry of Interior held a solemn meeting in Hanoi this morning [17 July] to mark the 30th anniverary of President Ho Chi Minh's signing of a decree promomulgating the law on the People's Police, 20 July.

"Attending the meeting were Comrade Phan Van Khai, member of the Political Bureau and vice chairman of the Council of Ministers; Bui Thien Ngo, member of the Political Bureau and minister of interior; and representatives of many ministries, branches, sectors, and mass organizations at the central level and in Hanoi."

After an opening speech by Comrade Bui Thien Ngo, Comrade Pham Tan Long, member of the Party Central Committee and deputy interior minister, delivered a speech. He said:

[Begin Pham Tan Long recording] "Dear comrades: As a component of the People's Public Security Forces, the People's Police Force has existed since the 1945 August Revolution. Through that glorious historic period of time, the People's Police Force has always bee absolutely loyal to the party, associated itself with the people, braved sacrifices and hardships, overcome countless ordeals, and performed numerous outstanding deeds."

The above achievements have beautified the glorious tradition of the People's Police Force. Over the past 30 years of combat and unit building, the People's Police Force has been decorated by the party and the state with three Ho Chi Minh Orders. Forty units and 38 individuals have been granted the title of Hero of the Armed Forces and other high distinctions.

"As an immediate task, the police force should, in close coordination with other security forces, concentrate on satisfactorily implementing Directive No. 135 and Decision No. 240 of the Council of Miniters on the need to take preventive measures against and continue to launch repeated crackdowns on criminals, especially dangerous criminals, the ringleaders of various vice gangs, and professional rascals; eliminate social vices; and concentrate their drastic crackdowns on the corrupt, bribe takers, smugglers, tax evaders, and counterfeiters. It is necessary to closely cooperate with the People's Public Security Force in coping in a timely manner with unexpected situations and in preventing and frustrating all the schemes and actions of the local and international reactionaries."

These activities should be placed under the close leadership of various party committee echelons and be carried out in close coordination with the Armed Forces, various sectors, and mass organizations. [end recording]

Comrade Vu Mao, member of the Party Central Committee and head of the Joint Office of the National Assembly and the Council of State, read a letter from Council of State Chairman Vo Chi Cong to the Vietnamese People's Police Force, on its 30th anniversary.

[Begin Vu Mao recording] "Dear comrades: On the occasion of the 30th anniversary of President Ho Chi Minh's signing of a decree to promulgate a law on the Vietnamese People's Police, 20 July, on behalf of the party and state I cordially convey my warm regards and best wishes to officers, noncommissioned officers, and men of the People's Police, to the families of fallen heroes, to disabled and sick soldiers, and retirees of the People's Police force, as well as to members of various urban security and self-defense forces.

"As a component of the People's Public Security Forces, the People's Police have been educated and trained by the Communist Party of Vietnam and esteemed Uncle Ho, and been attentively cared for by various party committee echelons, the administration, various sectors, and mass organizations. Having been assisted by the people and having gone through two wars of resistance for national defense and national reunification and construction, the People's Police Force has shown its absolute loyalty to the party, the fatherland, and the people; has been resourceful and courageous in combat; has been always ready to make sacrifices to protect the people's administration, the compatriots, and revolutionary gains; and has contributed to maintaining national security and public order and safety.

"The People's Police Force has had the honor of being decorated with a Ho Chi Minh Order. Forty units and 38 individuals have been given the title of Hero of the People's Armed Forces and been awarded with many other high distinctions.

"On this occasion, I would like to warmly commend the People's Police Force for its outstanding achievements scored over the past 30 years.

"Dear comrades: To contribute to implementing the resolution of the Seventh Party Congress on the need to accelerate the comprehensive renovation undertaking and national defense and construction activities, the People's Police Force is required to develop its glorious tradition, build itself into a clean and steadfast or, more precisely, a regular and well-trained revolutionary people's Armed Force in the gradual advance toward modernization as outlined in the 1992 Constitution.

"Officers, noncommissioned officers, and men of the People's Police Force, you should regularly steel your revolutionary qualities and ethics, closely associate yourselves with the people, constantly improve your professionalism, and be worthy of being a backbone force in the cause of maintaining public order and safety, thus helping national security and firmly defending the socialist Vietnamese fatherland.

"On the occasion of the founding anniversary of the People's Police Force, 20 July, I hope that party committee echelons, the administration, various sectors, the Vietnam Fatherland Front, and compatriots nationwide will actively participate in accelerating the Mass Movement to Maintain the Fatherland's Security, and assist and create conditions for the People's Police Force to satisfactorily fulfill its assigned duties.

"On behalf of the State Council, I present the People's Police Force a scroll with the inscriptions: Being Resourceful and Courageous, the Vietnamese Police, Selflessly Offer Their Services for the Sake of the Country and the People.

"My cordial and determined-to-win salutations.

[Signed] "Vo Chi Cong" [end recording]

After handing over the scroll to the People's Police Force, Comrade Phan Van Khai, vice chairman of the Council of Ministers, said:

[Begin Phan Van Khai recording] "The People's Police Force should satisfactorily fulfill the great mandate assigned it by the party and state. To meet the people's aspirations and trust, the People's Police Force should promptly strengthen itself organizationally and make itself clean and steadfast. It should resolutely overcome such things as abuses of power, haughtiness, officialism, the causing of inconveniences to the people, and deliberate misinterpretation and violation of the law. It should pay attention to undergoing training and improving its knowledge politically, juridically, professionally, technically, and in terms of foreign language. At the same time, it should give good care to the welfare of its officers and men in order to meet current requirements and tasks.

"The party and state has always regarded the maintenance of public order and safety as a duty of the entire party and people. Implementation of this duty should be placed under constant and direct guidance from party committee echelons and the administration concerned, and should be carried out in close coordination with various sectors, social organizations, and the people. The People's Police Force should serve as a backbone and strike force in this task.

"On this occasion, may I ask that various party committee echelons, the administration, and various sectors and social organizations actively assist and create conditions for the People's Police Force—for instance, providing it with operational funds, means of combat, and attentively caring for the welfare of officers and men—so the People's Police Force can satisfactorily fulfill its assigned duty." [end recording]

On behalf of the People's Police Force, Comrade Le The Tieu, acting director of the People's Police General Department, expressed his gratitude for the concern of the party and state, and pledged to overcome all difficulties and hardships in maintaining public security, social order, and safety to deserve the people's trust.

Leaders at Groundbreaking for War Memorial

BK2607141792 Hanoi VNA in English 1412 GMT 26 Jul 92

[Text] Hanoi VNA July 26—A ceremony was held here today by the Ministry of Culture and Information, Ministry of Defence, Ministry of Construction and the Ministry of Labour, War Invalids and Social Affairs to start the construction of a monument to heroes and heroines who have laid [down] their lives for the country. President of the State Council Vo Chi Cong, Nguyen Duc Binh, Politburo member of the Communist Party of Vietnam Central Committee, Vice Chairman of the Council of Ministers Tran Duc Luong, and Pham The Duyet, Politburo member of the Party CC [Central Committee] and secretary of the Hanoi party committee, attended the ground-breaking. The monument will be built on a square 90 metres wide and 120 metres long, about 500 metres from the Ho Chi Minh Mausoleum. The ground-breaking ceremony of the monument to fallen heroes and heroines is part of the multiform activities to mark the 45th War Heroes and Invalids Day to [be] celebrated nationwide on July 27.

Le Kha Phieu Visits War Invalids in Ha Bac

BK2707130792 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 22 Jul 92

[Text] In anticipation of the 45th anniversary of war invalid and war dead day, Comrade Lieutenant General Le Kha Phieu, secretary of the Party Central Committee and director of General Political Department, recently visited Tien Son district of Ha Bac province, where he inspected work related to the implementation of the rear-Army policy.

After he was briefed by the comrade leaders of the district administration on the implementation of the rear-Army in general and the task of caring for the comrade war invalids and families of fallen combatants in particular, Comrade Le Kha Phieu visited and presented gifts to war invalids and families of fallen combatants in Giang Son village—one of the villages taking the lead in this work in the district.

Prior to hearing reports by the village party committee and people's committee, the comrade director of the General Political Department paid floral tributes to the fallen combatants at the village war cementery and visited the house built in memory of the late Comrade Ngo Gia Tu, one of our party's foremost leaders.

At a meeting with the party committee and people's committee and representatives of war invalids and families of fallen combatants in Giang Son village, Comrade Le Kha Phieu commended the village for its achievements in implementing the rear-Army policy, as well as for the contributions of its party organization, administration, and people to the cause of national liberation and defense.

The comrade director of the General Political Department also expressed a desire that in the new revolutionary stage, the party organization, administration, and people of Tien Son district will satisfactorily illustrate the fine revolutionary tradition of their nation and persist in the path chosen by the party and Uncle, thereby helping to advance the country steadily on the road to socialism.

Vo Chi Cong Writes Vietnam's People Police

BK2707144192 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 20 Jul 92

[From the press review]

[Text] In today's issues, the papers all frontpage Council of State Chairman Vo Chi Cong's letter to the Vietnam People's Police on the occasion of the 30th anniversary of the signing of a decree by President Ho Chi Minh on 20 July 1962 to announce the official formation of the People's Police.

After commending the People's Police for its outstanding performance over the past 30 years, Chairman Vo Chi Cong pointed out: In order to contribute to the implementation of the seventh party congress resolution, to accelerate the overall renovation undertaking, and to defend and build the fatherland, the People's Police must develop its glorious tradition; turn itself into a pure, firm, and strong military organization; prove itself to be a genuinely well-trained, regular component of the people's revolutionary armed forces; and modernize itself step by step as stipulated under the 1992 Constitution.

Let the comrade officers and non-commissioned officers as well as men under their charge make sustained efforts to improve their quality and revolutionary ethics, stay close to the people, constantly enhance their professionalism, and prove themselves worthy of being an essential part of the struggle to firmly maintain public safety and social order, thus contributing to effectively safeguarding national security and firmly defending the socialist Vietnamese fatherland.

On behalf of the Council of State, I would like to present the People's Police a baldachin bearing the words "the Vietnam People's Police Is Known for Its Resourcefulness, Gallantry, and Unselfish Service to the Nation and People."

Intellectual Property Experts Approve of Laws

BK2407152792 Hanoi VNA in English 1518 GMT 24 Jul 92

[Text] Hanoi VNA July 24—A delegation of the World Intellectual Property Organization (WIPO) led by Mihaly Fiosor in charge of its copyright service has arrived here to help the Vietnam Copyright Office complete a draft ordinance on copyright so as to submit to the government soon.

After exchanging views with the ordinance-drafting committee of the Ministry of Culture, Information, and Sports, and a number of ministries and services concerned, Mr. M. Fiosor said that Vietnam's draft copyright ordinance conformed to the Berne International Convention on Copyright for Literary and Art Works.

Vo Nguyen Giap Addresses Teachers, Students

BK2707134392 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 21 Jul 92

[Text] On the occasion of the 45th anniversary of the 27 July War Invalids and Fallen Heroes' Day, a ceremony was jointly organized in Hanoi on the morning of 21 July by Nguyen Trai General Education School No. 2, the propaganda section of the Hanoi City War Invalids' Cultural Club, the Hanoi Psychological Education Association, and the Nguyen Trai Subward War Veterans Association based in Dong Da District to launch a campaign to promote people's awareness of the duty of showing gratitude to those who have sacrificed themselves for the fatherland and carry on the undertaking of one's predecessors.

On this occasion, students of the school sent more than 1,000 letters to families of war invalids and fallen heroes to inquire about their well-being. They also participated in traditional activities with local war veterans. The Nguyen Trai Subward War Veterans Association pledged its determination to emulate the school by satisfactorily implementing the movement to show gratitude to those who have sacrificed themselves for the fatherland and to carry on the undertaking of one's predecessors. As immediate objectives, the association will raise funds to assist war invalids and dependents of fallen combatants, as well as pay regular visits to boost the morale of those war invalids and survivors of fallen combatants who have nobody to turn to in time of need.

In his cordial talk with teachers and students of Nguyen Trai General Education School No. 2, war veterans, and other people present at the ceremony, General Vo Nguyen Giap commended the school and the Nguyen Trai Subward for their practical activities to mark the War Invalids and Fallen Heroes' Day. He expressed the hope that teachers and students would teach well and study hard, and fully understand the need to carry on the undertaking of their predecessors by continuing to move along the path chosen by Uncle Ho and the party.

Inflation Rates for First 6 Months of 1992 Noted

BK2607073992 Hanoi VNA in English 0430 GMT 26 Jul 92

[Text] Hanoi VNA July 26—Because of the change of Vietnam's market from the former Soviet Union and East European countries to capitalist countries and the gold and dollar hike in the last months of 1991 (in January 1991, the rate of 7,500 Vietnam dong to the dollar rose to 13,880 dong in November 1991, up by 85.1 percent), inflation stood at between four to five percent in January and February of 1992, higher than the average monthly inflation rate in the 1990-91 period.

However, production and imports and exports in the first six months of this year saw encouraging signs. The recent winter-spring crop posted an increase of one million tons of paddy rice over the same crop last year. Industrial output value increased 16 percent, both in the central and local industries, 12 percent over the same period last year. Export value went up 37 percent and that of imports by nine percent, in hard currencies.

The hard currency fever has colled down. The price of the US dollar has stabilized at 11,300-11,500 Vietnam dong. The price of gold in the first half of this year stood at around 4.5-4.6 million Vietnam dong per teal. The stabilized foreign exchange has helped stabilize the prices of many kinds of materials.

In the past six months, the prices of oil and gas, fertilizer, chemicals and steel decreased by 10 to 15 percent throughout the country, and the price index has remained almost unchanged. Since March, the rate of price growth has not exceeded one percent per month, which is expected to meet the target of 30-40 percent set forth by the National Assembly for the whole year over 1991.

Meanwhile, the price of farm produce and industrial products has increased only slightly but the cost of services increased sharply.

Hanoi Hosts Workshop on Hybrid Rice, Maize

BK2707151992 Hanoi VNA in English 1429 GMT 27 Jul 92

[Text] Hanoi VNA July 27—A workshop on hybrid rice and maize strains, the first of its kind so far in Vietnam, was held in Hanoi on July 24 and 25 by the Ministry of Agriculture and Food Industry and concerned institutes.

The workshop discussed how to improve the existing rice and maize varieties to help northern provinces be self-sufficient in food. Presently, the northern provinces can produce about 300,000 tonnes of food in paddy equivalent a year, which could meet only half of the annual demand of 600,000-700,000 tonnes of the population.

In the recent winter spring crop 24 northern provinces and cities put 3,700 ha under test planting [of] several new rice strains imported from china, yielding averagely 3.7-7.2 tonnes per hentare.

Other high-yielding rice strains were also planted on test on more than 10,000 hectares.

Some places, particularly Thai Binh Province, got between six to nine tonnes per hectare,

Of the 100,000 hectares to be put under maize growing in the coming autum crop in several northern provinces, 15,000 hectares will be planted with hybrid seeds, cross-bred from the DK-888 strain provided by the CP Group of thailand and a local variety, and 10,000 hectares with the maize strain code-numbered 9670, a product of the Bioseed Genetics Vietnam.

Among the participants in the workshop was Jaswant Singh, Ph.D. director of the Bioseed Genetics Vietnam, a joint venture between the Bioseed Genetics International Inc and the National Seed Company No. 1.

Australia

UN Urged To Consider Force Against Khmer Rouge

BK2707102592 Melbourne Radio Australia in English 0803 GMT 27 Jul 92

[From the "International Report" program]

[Text] A leading Australian senator has come away from talks with Khmer Rouge [KR] leaders in Cambodia believing that it is time for the United Nations to consider military action against the guerrilla group. Senator Chris Schacht is chairman of the joint parliamentary committee on foreign affairs. The United Nations is already threatening economic sanctions against the KR, who last month withdrew from the critical disarmament phase of the Paris peace plan. But, Senator Schacht believes that plan will fail completely unless the UN calls the KR's bluff within the next couple of weeks. He told Trevor Watson that UN troops could begin by forcing their way into KR-held territory along the Thai border.

[Begin recording] [Schacht] Talking to a lot of people in Cambodia in the five days, I formed a view that the KR are trying a major bluff to try and see how many concessions they can force out of the UN, UNTAC, to change the peace agreement which they signed last year to make changes to advantage them. My own view is, if the rest of the world through the UN is firm with the KR, then in the end the KR will back away—not to say that in the meantime there won't be some nasty incidents, there won't be some more shootings, and there won't be at times flashpoints between UNTAC and the KR.

But, ultimately you have to tell the KR that they themselves do not have the right to blackmail the peace process in Cambodia. The rest of the world will not put up with it, the UN will not put up with it, and if they continue to stymie it, well, then, they will be excluded from the peace process, from the free elections next year, and the rest of the world will back the other factions in carrying out the election process. I have come away from Cambodia with a very firm view that after speaking to people, the UN forces there including the Australian troops, the Australian civil workers, all want to know that we will back them even if the KR will not cooperate, that we should not run away from the place.

[Watson] At what point does the UN start enforcing the peace as opposed to simply monitoring it?

[Schacht] You cannot actually say a predicted date right now, but it is quite clear that they will make it in the very near future. For example, if the KR will not allow the UN forces to be deployed as agreed in the Pailin area, military sector area—that's the Dutch Battalion—I think that is the time when you say there is going to have to be some action taken, that the UN forces are able to go in to the KR-controlled area around Pailin to monitor the process, and if that requires some backup of force, well, then, in my view so be it.

[Watson] Does the UN, by taking action at any level against the KR, run the risk of wrecking the peace process entirely?

[Schacht] No, in fact the exact opposite will occur if we allow the KR to bluff the UN; well, then, the peace process will fall apart because the other factions will just despair on what is going on. The other three factions all indicated that absolute commitment to carry out the peace process as agreed. The only reason they are having doubts is because the KR are not playing ball. If you want to wreck the peace process in Cambodia, you allow the KR to bluff the UN and bluff the rest of the world. And as one very senior official said in the end we have to call the KR's bluff because once it is called he believed that they will give away and come back to the process. [end recording]

Papua New Guinea

Ties With Solomon Islands Returning to Normal

BK2807083092 Melbourne Radio Australia in English 0800 GMT 28 Jul 92

[Text] There are indications that the sour relations that developed between Solomon Islands and Papua New Guinea [PNG] over the Bougainville crisis are said to return to normal. This follows a 30-minute meeting in Honiara between PNG's new Prime Minister Paias Wingti and his Solomon Islands counterpart, Solomon Mamaloni.

At a joint news conference, Mr. Wingti said the reception he had received on his arrival in Honiara showed very positive and encouraging signs for future relations. He said he and Mr. Mamaloni would spend some time at the meeting of the Melanesian Spearhead Group in Vanuatu tomorrow looking at ways to patch up their strained relations.

Mr. Wingti was in Honiara to pick up Mr. Mamaloni on his way to the Port Vila meeting. Mr. Mamaloni said he did not have any preconditions for the normalization of relations with Port Moresby which became strained over Bougainville with the intrusion into Solomon Islands territory of PNG defense force soldiers.

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